FBIS DAILY REPORT

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Vol VI No 039

27 February 1986

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SANGUINETTI OPENS CONTADORA GROUPS' MEETING

PY270300 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0045 GMT 27 Feb 86

[Text] Punta del Este, 26 Feb (NA) -- Uruguayan President Jose Maria Sanguinetti has affirmed that the proposals contained in the Caraballeda Message (January 1986) constitute a "harmonious and balanced whole" that must be understood as such and also attributed to the Contadora Group peace efforts "the avoidance of greater evils," as well as "the capacity of bringing hope to life" when its death or "fainting" have been predicted. The Uruguayan president affirmed that both "the Contadora Group and the Support Group are working on Latin American solutions that are not dictated from the outside."

Sanguinetti delivered an extemporaneous, 30-minute speech to open the deliberations of the Contadora Group (Mexico, Panama, Colombia, and Venezuela) and the Support Group (Peru, Argentina, Uruguay, and Brazil) in a ceremony held on the premises of the Maldonado City Hall. Seated on the platform with President Sanguinetti were the foreign ministers of Uruguay, Enrique Iglesias; Peru, Allan Wagner; Brazil, Roberto Abreu Sodre; Mexico, Bernardo Sepulveda Amor; and Venezuela, Simon Alberto Consalvi, who spoke on behalf of his colleagues. The foreign ministers of Panama and Colombia will arrive in this summer resort tomorrow to joint in the deliberations.

After welcoming his guests, Sanguinetti affirmed that they will give "one more testimony to the vigorous and serious peace efforts that Latin America is undertaking this year, which has been called the Year of Peace by the United Nations, to mark its 40th anniversary."

He recalled the words of John Paul II, who said that "peace is a value without borders" and then explained that by trying to preserve that value for the Central American region, they were making "a reaffirmation of democratic convictions." In praising the decision to create the Contadora Group in 1983, Sanguinetti said that "much has been done and much has been avoided; greater evils have been avoided, and confrontations have been avoided, confrontations that were in the past the sad rule but which today are no longer acceptable solutions to international problems."

Continuing, Sanguinetti said that the peacekeeping efforts are "Latin America's mature answer," and that the subcontinent "knows that it wants and what it does not want." He then added: "It wants democracy and respect for human rights and for the principle of nonintervention ensure the self-determination of peoples." Sanguinetti went on to say: "It does not want foreign forces operating in our countries, and it does not want our countries to serve as a battleground for the East-West conflict."

He also said that Latin America "does not want paternalism," pointing out that all this is clearly stated in the 10 points of the Caraballeda Message in "a harmonious and balanced whole."

The Uruguayan president then criticized those who, "through clever surgery, excise from the message one or another paragraph, according to their convenience, and present them isolated from the rest."

"We do not want," Sanguinetti continued, "guerrillas operating in our countries, but we do want reconciliation for the Central American society." Sanguinetti explained that these principles constitute "the harmonious and balanced whole of the Message of Caraballeda that must be implemented simultaneously."

In a passage of his speech, Sanguinetti recalled that "the death of the Contadora Group has been predicted many times, but it has shown a capacity to be reborn from the ashes." He added that "it has also been said many times that Contadora is nothing but a decalogue of good intentions, and we say that it is because, thanks to those good intentions, greater evils have been prevented and continue to be prevented." It is also thanks to "those good intentions that we at one time did not want to Malvinas conflict to be transformed into an East-West confrontation," Sanguinetti said.

In closing, he devoted a couple of paragraphs to note that the foreign and economy ministers of the Follow-up Group of the Cartagena Consensus (Argentina, Venezuela, Colombia, Mexico, Brazil and Uruguay, which acts as current secretariat) will begin deliberations on Friday, 28 February.

Speaking on behalf of his colleagues, Venezuelan Foreign Minister Consalvi emphasized the foreign debt. It should be noted that the meeting of the Follow-Up Group of the Cartagena Consensus has been requested by the Governments of Venezuela and Mexico in view of the new crisis brough about by the abrupt decline in the price of oil, he said. Minister Consalvi affirmed that "the Latin American nations cannot be asked to postpone their economic development, because without development, democracy cannot survive."

Wagner on Debt, Contra Aid

PY270240 Paris AFP in Spanish 0005 GMT 27 Feb 86

[Text] Punta del Este, 26 Feb (AFP) -- The reduction in oil prices is an additional factor that should contribute to promoting closer agreements among the debtor countries, Peruvian Foreign Minister Allan Wagner stated here today. Wagner has come to Punta del Este, a resort city 140 km east of Montevideo, to attend meetings of the Cartagena Consensus and the Contadora Group, which will end on 1 March.

Wagner, who came with his Argentine and Mexican counterparts, said that the objective conditions stemming from the debt problem are making debtor countries adopt increasingly harmonious, similar positions. The Peruvian foreign minister said the sharp drop in oil prices has severely affected some member countries of the Cartagena Consensus. He said that the overall reduction in the prices of raw materials has been added to the oil price drop.

Wagner described as necessary President Alan Garcia's decision to repatriate Peruvian reserves from the United States. Peruvian economic sovereignty ought to be guaranteed, Wagner said. He added that his country believes it is necessary for debtor countries to exercise their ability to make independent decisions in managing their economies and their foreign debt. He did not say, however, whether unilateral measures will be proposed after the Punta del Este meeting.

Commenting on the Central American crisis, Wagner said conditions may now be conducive to resuming the U.S.-Nicaraguan talks in Manzanillo. He noted, however, that it will be necessary to work on various fronts to achieve this. Wagner did not express surprise at President Ronald Reagan's decision to ask Congress to approve $100 million in aid for the Nicaraguan contras.

Wagner demanded once again that the aid to the irregular forces that have been operating in the region be discontinued. He said: We are clearly against the U.S. aid to the Nicaraguan counterrevolutionaries.

VENUE OF PRESIDENTIAL SUMMIT CHANGED TO HONDURAS

PA252200 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 25 Feb 86

[Text] The meeting between the Central American and Panamanian presidents agreed to in Guatemala on 15 January will take place in San Pedro Sula, according to an announcement made yesterday by Carlos Orbin Montoya, president of the National Congress. Vinicio Cerezo proposed this meeting in his first speech as president of Guatemala and was supported by Presidents Eric Arturo Delvalle of Panama, Jose Napoleon Duarte of El Salvador, Daniel Ortega of Nicaragua, and Jose Azcona Hoyo of Honduras. The heads of state later signed a communique in which they announced the presidential summit, which was to take place in Esquipulas, Guatemala, as proposed by Cerezo.

However, Carlos Montoya said: We have asked to have the meeting in Honduras, and the proposal has been accepted by the presidents. It has been agreed that the meeting will be held in San Pedro Sula, to honor that city which played a primary role in the Liberal Party's triumph. He did not specify who had made this proposal, but in his statements he hinted that the city was chosen for political reasons.

The parliamentarian said: We want to give San Pedro Sula political clout and make it a political center at the Central American level. The lawyer did not specify the date on which the meeting would be held, but said it would be in March or April. At the meeting, bilateral and multilateral relations in Central America will be discussed, as well as some of the Contadora decisions.

In Guatemala, Vinicio Cerezo said that the meeting would serve to strengthen the ties of friendship and seek peace. At the meeting the Guatemalan leader's proposal to create a Central American parliament to solve the regional conflicts via political discussion will also be studied.

MORE ON CONGRESSMEN'S RETURN FROM UK MISSION

PY262339 Buenos Aires BUENOS AIRES HERALD in English 26 Feb 86 p 9

[Text] (DYN-NA) -- Senator Adolfo Gass (Radical) and Deputies Federico Storani (Radical) and Jose Bordon (Justicialist) returned yesterday from London after a "very favourable" mission concerning the Malvinas Islands. Storani denied having offered self-determination to the Malvinas islanders. He pointed out that he was misinterpreted when he spoke of "autonomy" in the context of presenting Argentina's "historical position" of annexing the Malvinas to a province. "Since our provinces are autonomous, I stated that the inhabitants of the Malvinas would gain autonomy," he explained.

Storani said that the British Parliament had given a "favourable" response to the United Nations resolution that calls for negotiations on all aspects of the future of the islands, including the sovereignty issue. He added "this is not what Prime Minister Margaret Thatcher wants, and this explains her manoeuvre -- because they (the British) are masters and have many years of experience -- to appear in the eyes of the world as if their position is flexible and we are intransigent."

According to Storani, this would be the reason for the alleged invitation by the British Foreign Office that was never made (to meet with Office Secretary Tim Eggar) but was leaked to the British press. "Anyhow, the meeting would have served no purpose since we were informed that the agenda would not include the issue of sovereignty," he added.

In reference to a meeting the congressmen held with a Kelper representative, Storani pointed out that the meeting was important because it allowed them to present the Argentine position, "since one of the strongest arguments used against us is that we do not consider the interests of the islanders." He went on to say that the Kelper representative did not accept the Argentine position and stated that the islanders desired to remain British citizens, and he answered that it was not up to the Kelpers to decide since they are British citizens and hence party to the discussion. He added that the Kelper they met was a "faithful exponent of the economic interests that represent an elite among the islanders, because the majority shows a great indifference towards the question, and a great fear since the Malvinas population is culturally backward because they were abandoned by Great Britain many years ago."

Storani's statements were made in Ezeiza airport upon his arrival, and in the same press conference Justicialist Bordon denied knowing if his trip had caused problems within his party. He explained that he travelled with the parliamentary mission as a congressman and not as a representative of his party. Questioned about the possibility of being sanctioned by a Justicialist disciplinary council, he said he would accept it provided that the council were elected by direct popular vote, "so that future justicialists taken before the council will know that the organism that is judging their conduct expresses the will of the people of the nation." The Peronist added that he had received a letter from La Rioja Governor Carlos Menem stating that "it doesn't matter where or with whom we meet, as long as we defend the permanent interests of our country."

Gass said that the delegation's most important achievement was the fact that "during five days the British media covered the Argentine delegation and their proposals. We received more attention than when Argentina won the Soccer World Cup."

The legislators also mentioned the importance of the meetings they held with Labour Party leader Neil Kinnock, Social Democrat leader and former Foreign Minister David Owen, and Liberal Party leader David Steel. The fourth member of the Argentine delegation, Popular Conservative Senator Julio Amoedo, travelled on to Paris, France, and is scheduled to return next Saturday.

GOVERNMENT TELLS IMF PAYMENTS CURRENT BY JUNE

PY231945 Buenos Aires BUENOS AIRES HERALD in English 23 Feb 86 p 1

[Text] (NA) -- The government told the International Monetary Fund (IMF) yesterday that Argentina will bring overdue interest payments completely up to date by the end of June, and that it will soon begin eliminating price controls. In a letter of intent to IMF director Jacques de Larosiere, Economy Minister Juan Sourrouille also asked the IMF to extend Artentina's current agreement with the IMF for another two months.

Sourrouille admitted that Argentina had not met all austerity measures agreed to with the IMF last year, but said that the government's "economic policy has been satisfactory and appropriate for reaching the (IMF) programme initiatives." The letter says the government "does not believe it possible" to bring all interest payments up to date by the end of next month, as agreed, and so proposes to "reduce back interest to a figure no greater than 1.050 billion dollars by March 31."

The minister also asked the IMF to extend Argentina's current accord with the fund, through which Argentina has received three stand-by loans and will likely receive a fourth, from March until May 31. Sourrouille's letter also says that the government plans to hold inflation down to an average of two percent a month and "to suppress gradually price controls." The government will not resort to printing unbacked currency to pay its bills, and will keep the federal deficit at three percent of the Gross Domestic Product, says the letter.

CAPUTO DISCUSSES DEBT, FOREIGN POLICY

PY261800 Buenos Aires TELAM in Spanish 0128 GMT 26 Feb 86

[Text] Buenos Aires, 25 Feb (TELAM) -- Foreign Minister Dante Caputo tonight stated that when we talk about foreign debt negotiations at the Cartagena Consensus we must make it clear that every country must speak according to its real situation. The efforts of an underdeveloped country are affected by a suction pump called foreign debt. However, at this time it is naive to say "let us not pay the debt," Caputo added.

In statements for a news program aired by Channel 13, Caputo said that he believes that political solutions are possible in foreign debt negotiations, but that Peruvian President Alan Garcia's proposal of setting a ceiling on the payments is not viable for Argentina.

Concerning the Austral Plan, the foreign minister said that it is an unorthodox plan that has been discussed with out creditors who have accepted it, and that we Argentines are aware that if we want a lasting democracy, it must be built on a solid foundation.

Concerning international relations, Caputo stated that we have been consistent and have made room for ourselves on the international scene. He said that Argentina is a Western country which believes in private business, a country that does not side with the North Atlantic Treaty Organization (NATO) or with the Warsaw Pact. Therefore, Argentina is a nonaligned country.

Concerning Central America, Caputo stated that I believe that we agree with the United States insofar as we want pluralist democracies, but we disagree with the methods. Within the Latin American context we are concerned over both Nicaragua and Chile, Caputo concluded.

MEXICO'S SEPULVEDA ON 'SECURITY CORDON' PROPOSAL

PY261710 Buenos Aires DYN in Spanish 1157 GMT 26 Feb 86

[Text] Buenos Aires, 26 Feb (DYN) -- Mexican Foreign Minister Bernardo Sepulveda Amor today stated that the Contadora Group and the supporting countries will study in Punta del Este a peace proposal for Central America involving the establishment of a security cordon to prevent border incidents between Nicaragua and Costa Rica. Sepulveda Amor made this statement at Ezeiza Airport while he was on his way to the Uruguayan beach resort, where the Cartagena Consensus will also hold a meeting to discuss the worrisome Latin American foreign debt issue. Sepulveda Amor was accompanied by his Peruvian counterpart Allan Wagner Tizon, who stated that the Punta del Este meeting "is aimed at designing new forms of joint actions," to face the creditors.

CAPUTO, SEPULVEDA DEPART FOR URUGUAY MEETING

PY261945 Buenos Aires TELAM in Spanish 1926 GMT 26 Feb 86

[Text] Buenos Aires, 26 Feb (TELAM) -- Argentine Foreign Minister Dante Caputo this afternoon left for Punta del Este, where he will take part in the first meeting of the Consensus of Cartagena Follow-up Committee, in order to analyze the foreign debt problem with other representatives of the Southern Cone. Caputo left from the military base of the Metropolitan Airport accompanied by his Mexican counterpart, Bernardo Sepulveda Amor, shortly before 1600 [1900 GMT]. Foreign Minister Caputo also was accompanied by Jorge Sabato, international affairs secretary; Jorge Romero, under secretary for international economic relations; and Raul Alconada Sempe, Latin American affairs under secretary.

CGT SETS 6 MARCH DEADLINE FOR GOVERNMENT REPLY

PY262307 Buenos Aires BUENOS AIRES HERALD in English 25 Feb 86 p 9

[Text] (NA-DYN) -- General Confederation of Labor (CGT) Secretary-General Saul Ubaldini set a March 6 deadline for the government to meet labour's wage and reactivation demands, after which CGT leaders will meet to "adopt the measures they deem necessary" to fight government economic policies. CGT leaders said the measures would almost certainly include "mobilizations."

Ubaldini called on the government to "put the solutions into effect that we not only demand, but also deserve." Ubaldini said the government has sent no proposal on raising the minimum wage to the CGT, although officials have reportedly met with leaders of the 62 Organizations union power bloc to talk about raising the minimum wage. 62 Organizations leaders denied that they were involved in "formal negotiations" with the government over wages, but said they might in the future.

The CGT's National Unity Congress, planned for next month, received support from the Secondary, Tertiary and Technological University Students' Federations, all of whom also endorsed the CGT's 26-point economic programme. The Progressive Democrat Party announced it will not attend the Unity Congress, saying that the CGT's demands should be debated in the national congress.

Ubaldini blasted Buenos Aires Province Radical Party head Juan Manuel Casella, who said on Sunday that Ubaldini was an "old-style leader of traditional union Peronism." Said Ubaldini: "I would like to ask Mr Casella when he ever worked, and what he lives on. We have a plan, a project, and we're going to continue."

On the strike front, court clerks will go on a 24-hour strike today to demand a 25-percent wage increase, equal to that granted to judges and some court officials. The bank clerks' union reached a settlement with state-owned banks and today will try to do the same with private banks in order to head off the stoppages planned for Thursday and Friday. The clerks were demanding adjustments in work schedules.

Construction workers' union leader Juan Alejo Farias said hard-hatters will soon begin a "battle-plan", complete with go-slow measures and demonstrations, after talks broke down yesterday with management over salary demands.

Public Works and Services Minister Roberto Tomasini completely discarded the chance of postal workers returning to the go-slow measures which kept mail moving at a trickle during most of January. Tomasini assured union officials that the settlement ending the last go-slow measures will be respected.

Deputy Roberto Sammartino (Radical-Santa Fe) said that Congress "should begin to analyze analyze a proposal that would regulate the right to strike", especially for essential services like transport and communications.

SPANISH VESSEL NOT DETAINED AS REPORTED

PY241525 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2219 GMT 21 Feb 86

[Excerpt] Bahia Blanca, 21 Feb (NA) -- A reliable source reported this afternoon that the Spanish fishing ship Urabains, 75 meters long, has been detained at the local port since the beginning of this week for "violating the fishing law," after it made important catches -- using a British permit -- in the exclusion zone unilaterally established by Great Britain around the Malvinas Islands.

The ship, especially equipped to freeze the cargo and transport it to remote ports, entered the post of Ingeniero White on its own captain's orders "Monday or Tuesday" around 1500 after the feezing equipment broke down. Thus, the source clarified the initial reports on this event, which erroneously stated that the "Urabains" had been intercepted by Argentine Naval Prefecture units in the South Atlantic.

BRIEFS

NEW SECRETARIES SWORN IN -- President Raul Alfonsin today took the oath of office of the legal and technical secretary to the Presidency's General Secretariat, Jorge Gonzalez Pastor; and of budget programming and control secretary to the Defense Ministry Jorge Garcia Ferro; and production secretary to the Defense Ministry, Daniel Larriqueta. [Excerpt] [Buenos Aires TELAM in Spanish 2113 GMT 20 Feb 86 PY]

USSR OFFERS $220 MILLION FOR AGRICULTURAL PROGRAMS

PY212313 La Paz Radio Illimani Network in Spanish 1700 GMT 21 Feb 86

[Text] The minister counselor of the Soviet Embassy in Bolivia has reasserted the Soviet Government's intention to grant $220 million in aid to Bolivia for the development of agricultural programs. This was said during a protocol visit by the Soviet minister counselor to the Agricultural and Peasant Affairs Ministry. Igor Prokof'yev, the Soviet minister counselor, noted that the Soviet Government wants to promote agricultural aid to Bolivia. This was said in a meeting held with the agricultural affairs under secretary. They discussed the possibility of establishing in Bolivia an assembly plant for tractors which it is believed is necessary to fulfill Bolivian Government objectives. He said: Mechanization is important to improve agricultural production.

He also said: The Agricultural and Peasant Affairs Ministry supports our proposals. We believe that with the aid of interested sectors we shall be able to implement this program.

Moreover, (Damian Farrel), the under secretary for agricultural affairs, noted that the government was offered $220 million, of which $200 million will be used to help Bolivian businessmen. He said that $20 million will be spent on the manufacture of tractors and agricultural tools in Cochabamba; the establishment of a tire factory in Riberalta to make use of the rubber produced in the region; and the establishment of a meat packing plant in Reyes. They also offered to supply technical support and equipment to process gold and other nontraditional minerals.

SOFT LOANS SECURED FROM ANDEAN COUNTRIES

PY262100 La Paz PRESENCIA in Spanish 22 Feb 86 p 1

[Text] During the Caraballeda meeting the Andean countries committed themselves to granting soft loans to Bolivia through the Andean Development Corporation (CAF) and the Andean Reserve Fund (FAR). The latter will support our balance of payments.

This was stated yesterday by Integration Minister Fernando Caceres Diaz, who said that during the meeting additional community support actions were approved to meet national development requirements.

"Among these achievements we can mention the [establishment of a] multinational agency for Bolivian development, the strengthening of the Assistance Program for Bolivia [Programa de Apoyo a Bolivia], and the channeling of soft loans through the CAF and the FAR," Caceres Diaz stated.

The minister reported that the Bolivian delegation "demanded" a consensus from the Andean nations to cooperate with Bolivia by giving it preferential treatment because of the current economic situation, "which no longer is a short-term crisis but has turned into a structural crisis since the collapse of the tin market."

Therefore, we proposed that Bolivia be granted greater trade and industrial allowances and more leeway in the fulfillment of the commitments made to the Cartagena Consensus, Caceres Diaz stated.

He added that the willingness of the Andean countries to cooperate with Bolivia was proven by statements by the integration ministers.

CONGRESS APPROVES TRIAL OF GARCIA MEZA

PY261929 Madrid EFE in Spanish 1144 GMT 26 Feb 86

[By Juan Maria Calvo]

[Excerpts] La Paz, 26 Feb (EFE) -- The Bolivian Congress has approved a resolution stating that former President Luis Garcia Meza Tejada will be tried by the Supreme Court to account for his government. After a lengthy, 8-hour session, resuming the one adjourned last Wednesday, the Bolivian Congress on Tuesday night resolved -- by 128 votes against 2 -- that General Garcia Meza; his Interior Minister General Luis Arce Gomez; and others whose whereabouts are unknown are all guilty.

The Congress stated that Garcia Meza is guilty of sedition, armed uprising, treason to the fatherland, genocide, murder, fraud against the state, crimes against the Constitution, and other charges.

Some congressmen walked out of the hall when the vote was taken, especially those belonging to the rightist Nationalist Democratic Action (ADN) and the ruling Nationalist Revolutionary Movement (MNR), all of whom were to a greater or lesser degree involved with Garcia Meza's government.

Of a total of 157 congressmen, only 130 voted, of whom only 2 dared to vote against the resolution: Guillermo Tineo of the ADN, who was the president of the State Bank under the Garcia Meza regime and stated that he is Garcia Meza's friend, and MNR Senator Ciro Humbold.

Several deputies compared Garcia Meza's accountability to the situation in Argentina. Mario Rueda Pena, of the Nationalist Revolutionary Movement of the Left (MNRI), stated that "just as someone called Videla is in jail in Argentina, Garcia Meza should be in jail in Bolivia."

Minister Endorses Decision

PY270136 La Paz Cadena Panamericana in Spanish 0000 GMT 27 Feb 86

[Excerpts] Information Minister Antelo said today during a press conference that the government believes the decision to try former de facto President General Luis Garcia Meza for his responsibilities during his administration is positive.

[Begin recording] I believe the congressional decision regarding citizen Garcia Meza and his aides reaffirms our institutional democracy. This decision, which of course is autonomous, is worthy of respect and [word indistinct] by President Victor Paz Estenssoro's government.

I want to clarify that this is not just a trial against the institution of the Armed Forces, which is an organization of vertical authority, but rather against the leadership who made the decision binding the rest of the forces. Therefore, the responsibility falls on the group that made the decision. [end recording]

Minister Antelo said later that up to this moment there are no reports that Garcia Meza is in Bolivia.

MNR EXPRESSES SUPPORT FOR PAZ, GOVERNMENT

PY250201 La Paz Cadena Panamericana in Spanish 1700 GMT 24 Feb 86

[Text] The MNR [Nationalist Revolutionary Movement] political commission has submitted to Cadena Panamericana a declaration signed by MNR Acting Director Nuflo Chavez Ortiz; Deputy Chief of the Labor Department (Jose Luizar); Permanent Secretaries, Carlos Ponce Sangines and Jorge San Martin; and other members of the MNR political commission. The 5-point declaration notes:

The MNR reasserts its categorical loyality to its national leader Victor Paz Estenssoro. The MNR is aware of the serious crisis [affecting the nation] and the sacrifices that must be made to overcome it, since the development and happiness of all Bolivians is in the hands of each individual MNR militant and depends on his efforts and the integrity with which he confronts the crisis.

The party's actions and that of the government are indispensable in this difficult task. Consequently, the MNR supports the government and its leadership.

In its capacity as a tool of national liberation and as a representative of the alliance of social classes, the MNR is interested in overcoming the present national situation. It admits that there are different opinions within it but that all of them are within the framework of the national revolutionary doctrine and that it is united to achieve those objectives and goals that have been proposed by the government.

The declaration adds that the MNR reasserts its firm will to maintain its own structure and organization as an effective means aimed at benefiting the large national majorities.

FORMER MINISTERS ISSUE DRUG TRAFFICKING REPORT

PY212041 Paris AFP in Spanish 1357 GMT 21 Feb 86

[Text] La Paz, 21 Feb (AFP) -- The Limited Financial Consultants organization, which is managed by Roberto Jordan Pando and Jose Ortiz Mercado, former ministers under the Hernan Siles Zuazo administration (1982-1985), stated today in La Paz that drug trafficking in Bolivia yields revenues totaling $486 million per annum, while legal exports barely match that amount.

According to a survey, there are 48,800 people producing coca leaves, the raw material for cocaine. These people produce 152,000 tons of coca leaves, of which less than 20 percent is used for chewing in the Andean area. The survey estimates that 121,000 people will be producing 270,000 tons of coca leaves by 1990.

Jordan Pando and Ortiz Mercado state that a hectare of coca leaves yields a gross profit of $51,000 for the traffickers. One-third of that hectare yields 13.2 kg of paste or cocaine sulphate, which brings $1 million on the streets of Miami.

Jordan Pando and Ortiz Mercado say that Bolivian cocaine profits, totaling $2 billion, are more than triple Bolivian exports. In conclusion, Jordan Pando and Ortiz Mercado state that, on a world scale, the drug trafficking business yields yearly profits of $135 billion, while the world's largest transnational company, Exxon, owned by the Rockefeller Group, yields profits totaling barely $78 billion.

NO RENEWAL PLANNED FOR U.S. MILITARY ACCORD

PY271045 Madrid EFE in Spanish 1131 GMT 25 Feb 86

[Text] Brasilia, 25 Feb (EFE) -- Brazil will not reestablish the military aid accord with the United States, but the door has been left open for a development and cooperation program for joint production of military materiel. This official announcement was made today in the wake of the visit which Fred Ikle, the U.S. defense under secretary, paid to Brazilian military ministers.

In 1976 Brazil turned its back on the military aid accord with the United States as a result of the pressure which Jimmy Carter's administration exerted on General Ernesto Geisel's military regime and the harsh criticism it made of the regime's violations of human rights. As with most of the accords that Washington had signed with its Latin American allies, the one with Brazil allowed this country to receive arms and technical aid.

Today Ikle will visit several military factories in Sao Paulo where he will acquaint himself with the progress made in the manufacturing of armored vehicles, missiles, planes and other weapons. According to Ikle, the United States is interested in the light armored vehicles for which Brazil holds the trademark. The success of these vehicles has been fully demonstrated by the growing exports to Third World countries. We are impressed by the progress achieved by Brazil's military industry, Ikle said. The U.S. under secretary will hold a press conference at the Rio de Janeiro Military College tomorrow. He will discuss the East-West strategy, thus closing his visit to Brazil.

AQUINO GOVERNMENT 'IMPLICITLY' RECOGNIZED

PY270020 Paris AFP in Spanish 2048 GMT 26 Feb 86

[Text] Brasilia, 26 Feb (AFP) -- Brazil today implicitly recognized the new government in the Philippines through a telegram President Jose Sarney sent to his colleague Corazon Aquino congratulating her on being inaugurated as her country's president. According to a diplomatic source, Brazil opted for the formula of implicit recognition because relations with the Philippines had not been interrupted. Sarney expressed to Mrs Corazon Aquino his most sincere congratulations on the return of democracy in the Philippines.

MILITARY WANTS EMERGENCY MEASURES IN CONSTITUTION

PY250231 Rio de Janeiro O GLOBO in Portuguese 22 Feb 86 p 3

[Text] Brasilia -- The Armed Forces believe that to limit in the Constitution the concept of national security to that of a guarantee against foreign threats, disregarding domestic factors is a "dangerous mistake." Moreover, they support the continued enforcement of the state of siege and of emergency measures. They also reject any plan to unionize the Armed Forces.

These are some of the suggestions made by the Armed Forces constitutional commission that makes suggestions for the new Constitution. In a statement issued by the commission, the Armed Forces note that the Constitution should safeguard the freedom to develop war technology and that no limits should be established in the defense budget. Moreover, they are against the removal of the military police from the Armed Forces and they note that the military service should continue to be mandatory.

The Armed Forces believe that the state of siege and the emergency measures are "flexible and that at present they meet all requirements: the state of siege is appropriate under war situations or in case of 'serious threats' to the country or its institutions; while emergency measures are to be enforced in cases of 'threat to public order or social peace resulting from calamities or cases of social unrest, but which do not justify the enforcement of the state of siege.'"

As for the objectives of the Armed Forces, they admit that their basic and fundamental objective is to serve as a tool in the defense of the country against foreign aggression, but they also admit that they could become necessary in certain domestic situations "whenever the enforcement of the other constitutional tools fail." According to the Armed Forces statement, the omission of this point from the new constitution is a "mistake" because it will deprive the nation of a legal and constitutional defense mechanism that is useful in serious situations when the police apparatus proves to be insufficient. The Armed Forces argue that national security means that the citizens' rights, the activities of political, economic, social and cultural institutions and rules of conduct are to be safeguarded from "adverse actions at all levels, domestic and foreign."

PFL LEADER MEETS SARNEY, DENIES SCHISM IN AD

PY261810 Sao Paulo Radio Bandeirantes in Portuguese 1500 GMT 26 Feb 86

[Text] President Jose Sarney wants the Democratic Alliance [AD] to continue to exist and trusts it will. A few minutes ago Senator Carlos Chiarelli, leader of the PFL [Liberal Front Party] held a meeting with President Sarney with whom he discussed the present disagreements between the PFL and the PMDB [Brazilian Democratic Movement Party] that resulted from the recent Cabinet reshuffle. According to Senator Chiarelli, Sarney is closely following this situation between the PMDB and the PFL, but he will not interfere in internal party problems. Moreover, President Sarney asserted that he trusts that the AD will continue to politically support the government. Senator Chiarelli noted that there is no schism within the AD, as stated by some PMDB sectors, because the party has kept its Cabinet posts.

GOVERNMENT SAYS ALCOHOL PROGRAM 'IRREVERSIBLE'

PY261941 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Feb 86 p 11

[Excerpt] Brasilia -- The Brazilian Government has decided to ease the minds of owners of alcohol-powered cars by stating that the "Proalcohol [Fuel Alcohol Program] is irreversible," according to a communique released by the press office of the Mines and Energy Ministry. In the morning President Sarney said that "The Proalcohol is a strategic program that must be maintained." The press release was agreed upon during a 2-hour meeting at the office of Energy and Mines Minister Aureliano Chaves involving Finance Minister Dilson Funaro, Planning Minister Joao Sayad, and Industries and Commerce Minister Jose Hugo Castelo Branco.

The government communique, released at 1830 yesterday, is divided into three parts. The first states that "The government can give absolute guarantees to consumers as far as domestic supply is concerned." The second part indicates that "The price ratio between alcohol and gasoline is being examined by experts in view of the better performance of alcohol-powered engines, but consumers can rest assured that a comparable advantage will always be preserved."

The final part explains that "the current problem is an overabundance of alcohol and the extent of its competitiveness in light of the declining oil prices. Thus, no new alcohol distillery projects will be approved until the appropriate commission charged with studying the matter can reach a decision."

The statements and explanations of the three ministers after their meeting with their mines and energy colleague were couched in terms similar to those of the press release. Dilson Funaro said that "the Proalcohol program cannot be paralyzed." According to the finance minister, the production of alcohol can be "levelled off" for 1 or 2 years, on the basis of current production. The latest figure released by the National Executive Commission for Alcohol (CENAL) is 11.95 billion liters of alcohol will be produced from the 1985-1986 harvest. This level could be maintained for the next 2 years. "New projects will be suspended," Funaro said. According to Industries and Commerce Minister Jose Hugo Castelo Branco, the alcohol distillery projects that the CENAL has already approved will still go ahead.

GOVERNMENT LEADER IN CONGRESS RESIGNS POST

PY270025 Brasilia Domestic Service in Portuguese 2100 GMT 26 Feb 86

[Text] Senator Fernando Henrique Cardoso today submitted his letter of resignation from the post of government leader in Congress to President Sarney. In the letter, Senator Cardoso expressed thanks for the support he received from the government and explained that he is resigning in order to devote more time to the PMDB [Brazilian Democratic Mobilization Party] electoral campaign in Sao Paulo.

According to presidential press secretary Fernando Cesar Mesquita, the senator had said in December that he would leave the post. He also said that President Jose Sarney has not yet decided if he will eliminate the post, which was especially created for Fernando Henrique Cardoso.

BRIEFS

PRIVATE SECTOR DEBT -- The private sector debt in 1985 reached 1.36 quatrillion cruzeiros, representing 41.6 percent of the GDP. [Excerpt] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Feb 86 p 11 PY]

CASH FLOW DEFICIT -- The Central Bank has reported that the Brazilian cash flow deficit reached 74.72 trillion cruzeiros in 1985. This deficit amounted to 5.5 percent of the GDP, some 1,360 trillion cruzeiros. In 1984, the cash flow deficit was 4 percent of the GDP. [Summary] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Feb 86 p 11 PY]

INDICTMENT SOUGHT FOR INTRANSIGENTS' SANHUEZA

PY?51816 Santiago Domestic Service in Spanish 1630 GMT 25 Feb 86

[Text] The Interior Ministry today asked the courts to indict Democratic Intrasigence President Manuel Sanhueza for violating the state internal security law. Interior Ministry legal adviser Alberto Rios made the petition to trial judge Marco Aurelio Perales, who since 10 February has been handling an injunction filed against Sanhueza for articles published in the weekly ANALISIS. Attorney Rios told journalists that additional evidence was presented to the courts, proving the indictee's participation in crimes provided for under the state internal security law. These crimes include calling for the disruption of public order and illegally paralyzing national activities.

Arrest Ordered

PY261805 Santiago Domestic Service in Spanish 1630 GMT 26 Feb 86

[Text] Trial Judge Marco Aurelio Perales has indicted and ordered the arrest of Democratic Intransigence leader Manuel Sanhueza for violating the state internal security law. Sanhueza -- who, according to his attorney Gustavo Villalobos, tomorrow will present himself in court on his own will -- has been specifically charged by the trial judge with inciting to disrupt public order and to overthrow the established government, under Article 4, Clause A, of the State Security law.

JOURNALIST ARRESTED FOR 'OFFENDING' CARABINEROS

PY261716 Madrid EFE in Spanish 1605 GMT 16 Feb 86

[Text] Santiago, 26 Feb (EFE) -- Fernando Paulsen, correspondent in Chile for the U.S. weekly TIME and editor of the opposition magazine ANALISIS, was arrested today on a warrant issued by the judge advocate charged with offending the Carabinero Corps. EFE received the information on the arrest of the Chilean journalist from ANALISIS Director Juan Pablo Cardenas. Cardenas explained that the judge advocate this morning decided to indict Paulsen and send him to prison charged with offending Carabineros for the cover story of the 102d issue of the magazine ANALISIS, published in August 1985. At that time Paulsen was acting director of the publication.

The cover story in question reported, under the headline "Murderers," on the decision of special Judge Jose Canovas Robles to indict two Carabineros officers and prevent others from leaving the country in connection with the kidnapping and murder of three communist professionals in March 1985. On that occasion Canovas' ruling prompted the resignation of General Cesar Mendoza, Carabineros Director General and member of the Government Junta, and the disbandment of the Carabineros Intelligence and Communication Directorate (Dicomcar).

With a single exception, all the people involved in these murders have been released after the Supreme Court ruled that sufficient evidence had not yet been provided through the investigation, which Judge Canovas is still conducting. Juan Pablo Cardenas told EFE that the judge advocate's ruling is "bizarre," because "no one has been offended," adding that the ANALISIS lawyers will appeal before the Military Court.

SOCIAL DEMOCRATS REJECT MDP-PR AGREEMENT

PY251335 Santiago LA TERCERA DE LA HORA in Spanish 16 Feb 86 p 6

[Text] In the face of the recent signing of an agreement between the Radical Party [PR] and the Popular Democratic Movement [MDP], Social Democratic leader Arturo Venegas has said that "it is surprising to read that the PR has reached a political agreement with the MDP." Venegas said the following in a declaration made public yesterday:

"As is known, the parties that are members of the Democratic Alliance [AD] have decided to answer separately the MDP invitation to start talks on eventually achieving political pacts or agreements. The Christian Democracy and the Social Democracy have turned this invitation down. However, the PR and the Socialist Party [PS] have accepted the MDP invitation, stating that talks would be held just to exchange opinions. Therefore, it is surprising to read that the PR has reached a political agreement with the MDP. This attitude appears to be inconsistent after the categorical statements made both by the Communist Party [PCCh] through a manifesto and by the MIR [Movement of the Revolutionary Left] through the statements made by its leader, Andres Pascal Allende. Both have just recently publicly ratified that their pursued ends or goals seek the establishment in Chile of an 'advanced popular democracy' in the Cuban style. In addition, they have stated that their strategy vis-a-vis the current military regime will involve armed struggle and insurgency, an attitude for which the MIR has been known for years."

"We respect the autonomy of every party that is an AD member, but regret this situation which debilitates the AD as an alternative for replacing the military regime and confuses public opinion."

"However, on the other hand, this reflects a consequence of the military government's rejection of the concerted way out proposed through the National Accord. This has led to the beginning of a political polarization process which benefits extremism, whose revolutionary messages appear to be more attractive than the National Accord's democratic balance. This polarization process will become more severe through increased violence, which we repudiate. The government must understand that repression does not prevent violence and that it must allow the people to participate by restoring democracy."

"Therefore, we, the Social Democrats, reiterate that the National Accord is the only viable peaceful way out for a concerted effort to democratize the country and that our efforts will be aimed at pressing and mobilizing ourselves to reach the goals stated in the National Accord and not those that are foreign to our democratic beliefs."

RECOGNITION EXTENDED TO AQUINO ADMINISTRATION

PY261619 Paris AFP in Spanish 1545 GMT 26 Feb 86

[Text] Santiago, 26 Feb (AFP) -- The Chilean Foreign Ministry today announced in Santiago that this country has recognized the new Philippine administration presided over by Corazon Aquino. An official spokesman of the Chilean Foreign Ministry reported that the Chilean Embassy in Manila had been formally notified of the installation of the new Philippine administration after the ouster of General Ferdinand Marcos. Upon receiving this information the embassy immediately expressed Chile's desire to maintain the best andmost cordial relations with the government and people of that Asian country.

POLICE UNCOVER SUBVERSIVE PLOT, ARREST 18

PA242015 Bogota EL SIGLO in Spanish 18 Feb 86 pp 1, 8

[By Eduardo Carrillo]

[Text] The National Police uncovered a subversive plan to hinder the normal course of the legislative elections on 9 March, after almost completely dismantling a leftist 19 April Movement (M-19) column and neutralizing an attack on military garrisons and on an armored truck. Authorized National Police spokesmen said that over the weekend, in the course of intensive investigations aimed at locating the transmitters of the M-19's clandestine "Radio Macondo," the authorities clashed with an insurgent column in southeastern Bogota. The guerrilla Julian Olmedo Ospina was killed and Captain Carlos Alberto Velez Fadul and Private Cesar Orlando Cacua, assigned to the Bogota Police Department, were wounded during the initial clashes. The clashes began in Corinto, a squatters' settlement, and then extended to Quindio, Altamira, La Victoria and Juan Rey.

In a gigantic encircling operation, the National Police captured 18 members of the self-styled "Heroes of the Palace" M-19 column, including Ivan Almarales Goenaga, son of Andres Almarales, former chief of the rebel organization who was killed during the merciless attack on the Justice Palace. Authorized sources revealed that in the operations carried out in southeastern Bogota, in addition to Almarales, the following guerrillas were arrested: Eliecer Luma Mosquera, German Cardozo Cardozo, Antonio Gonzalez Carrizosa, Francisco Eduardo Vargas Pinzon, Cesar William Rojas Cuervo, Helber Enrique Penalosa Torres, Carlos Alberto Martinez, Carlos Mario Acevedo, Rigoberto Bonilla, William Cesar Moreno, Cesar Augusto Celis, Ana Dolores Gomez, Lilian Puyo Tamayo, Martha Lucia Zambrano, Olga Patricia Ortiz, Olga Lucia Chavarro and Maria Monica Bermudez.

According to official sources, the rebel column in an effort to hinder the legislative elections on 9 March, planned to carry out actions against military and police garrisons, attack military convoys on the road to the plains, kidnap industrialist Elias Caicer Figales and attack Brinks' armored trucks. The captured guerrillas were carrying documents to claim shipments of dynamite in Santa Maria, Boyaca, and Marmato, in Caldas Department. The National Police also seized all documents related to the M-19 clandestine station "Radio Nacional." [as published]

FARC, GOVERNMENT PACT ENDS PEASANT EXODUS

PA232009 Madrid EFE in Spanish 1219 GMT 22 Feb 86

[Text] Bogota, 21 Feb (EFE) -- The Revolutionary Armed Forces of Colombia (FARC) today ordered the 24th Front to cease hostilities against the Army in the Middle Magdalena river region, in the country's north, as requested by more than 4,000 peasants who left their land 10 days ago. This was announced by Braulio Herrera, spokesman of the Patriotic Unity (UP), after attending a meeting with the Peace Commission in which an agreement was signed with Deputy Government (Interior) Minister Pablo Ruben Vernaza. The order to stop all the fighting near Yondo (Antioquia Department), on the Magdalena River banks, was given by Manuel Marulanda Velez ("Tirofijo"), founder and top leader of the FARC, under the condition that the government also order a stop to "the military harassment" of the 24th Front.

Marulanda talked from the Uribe Mountains, in the eastern plains, with the Peace Commission in Bogota through a radiotelephone installed by the government at the request of the guerrilla group, which was founded more than 35 years ago. "The FARC National Secretariat, at the firendly request of the Peace Commission, orders the 24th Front to cease its fire effective 0000 hours on 22 February (0500 GMT)," a FARC document said. However, the FARC warned that the order will be in effect for an indefinite period of time "if President of the Republic Belisario Betancur reciprocates this friendly sign for peace with a similar order to all civilian and military authorities in the region."

The peasant exodus created a delicate public order situation in Barrancabermeja (Santander), where peasants sought refuge in schools, streets, and plazas, while the city had to be placed undermilitary control. Yondo residents, accused by the Armed Forces of abandoning their land under FARC pressure for political intentions, began to return to their places of origin with the government's help on Friday afternoon.

'VIOLENCE' CLAIMS 108 LIVES SO FAR IN 1986

PA252132 Bogota EL TIEMPO in Spanish 21 Feb 86 p 8-A

[Excerpt] With 17 days remaining before the 9 March elections, state security agencies revealed that violence in Colombia has claimed the lives of 108 policemen, soldiers, guerrillas, and peasants thus far this year. Statistics reported by Radio Cadena Nacional indicate that in the first 51 days of 1986, 24 policemen, 23 Army troops, 10 peasants, and 51 guerrillas died. The greatest number of deaths were reported in the east and north where 23 Army officers, NCO's, and enlisted men; 3 national policemen; and 45 members of the National Guerrilla Coordinating Board were killed.

EPL ANNOUNCES ACTIVE BOYCOTT OF ELECTIONS

PA251314 Bogota EL SIGLO in Spanish 20 Feb 86 pp 1, 2

[Text] The self-named Popular Liberation Army (EPL) has announced its open participation in propaganda and military actions in the boycott of the 9 March legislative elections. "There are no guarantees for participation with candidates in the elections. Things have reached the point where the revisionists of the Patriotic Union, having promised the moon and stars, the demobilization of its guerrillas, and peaceful coexistence, also harass, murder, and persecute. They even close the door to electoral alliances with sectors of the Liberal Party," according to the information organ of the Communist Party of Colombia (PCC) and its armed branch, the EPL. As is know, on 24 August 1984 the PCC-Marxist Leninist Faction and the EPL signed an agreement of President Belisario Betancur.

The EPL has also announced that it will create three new combat fronts in honor of its leaders who fell during disturbances in northern Bogota. According to that leftist organization, the new fronts will carry the names of: "Oscar William Calvo, Angela Trujillo, and Alejandro Arcila." It also disclosed that on 7 December of last year the EPL's "Jesus Maria Alzate" front killed eight members of the Army and the national police on the road from San Pedro de Uraba to Turbo and seized several rifles, uniforms, and ammunition of different calibers.

INFORMATION AGENCY EXAMINES NATION'S ECONOMY

FL242302 Bridgetown CANA ALASEI in English 1951 GMT 23 Feb 86

[Text] Bogota, Feb 23, CANA-ALASEI -- Colombia, which hardly two months ago was fighting to finalise a million dollar (U.S.) credit arrangement with the international banks, and which as a result had agreed to a controversial three-month stand-by arrangement with the International Monetary Fund (IMF), is today refusing the offered credit. The surprising change was brought about by good fortune in the coffee industry.

Last December, the economic planners had hardly signed, in New York, the agreement for a loan of one billion U.S. dollars, when a World Bank group finally gave in to the country's demands, ALASEI [Latin American Special Information Services Agency] reported. This culminated a year and a half of complex negotiations, which included the IMF's tough conditions to improve economies. Then, at the end of January, the government announced that it refused 350 million dollars, that is, more than a third of the loan, and filled the void with new income from a coffee windfall.

At the same time, Colombia paid, in advance, a five-year U.S.229 million dollar loan, given bythe Andean Reserve Fund (ARF), to offset the fall of the country's international reserves, which at the time were way down, precisely from servicing the debt. In a third series of negotiations, the country re-established its position with the IMF, buying 114 million special drawing rights (SDR), for some U.S. 100 million dollars. This amount had been used up during the period of difficulty with the reserves.

But that was not the end of the matter. Days before announcing these surprising measures, the government had reduced the existing interest rate in the internal financial market, a move which runs contrary to the IMF philosophy. Another move was the lifting of restrictions on the importation of capital goods and consumer durables. The restrictions on these imports had been part of the measures of economic adjustment, imposed by the IMF. Payments, in advance, of external debt, and the refusal of new credit, obviously, has an internal economic explanation, ALASEI said.

An effort is on to avoid the excessive conversion of the coffee dollars into pesos, which would succeed in pushing up the cost of living domestically. Right now, government is awaiting approval, by congress, of legislation to facilitate the handling of U.S. 1500 million additional dollars, which the country will receive this year through coffee exports. If these earnings are not properly managed, inflation, which in 1985 was 23 percent, could rise in 1986 to 70 percent.

At the end of January, the routine mission from the IMF, which visits the country each quarter, found a totally different situation, and had to return to the fund accepting the government's complete programme for 1986. The influential magazine SEMANA summed it up in these words: The situation has changed so much that now it is the fund which needs Colombia and not vice-versa.

In fact, said ALASEI, after the dismal failures of the adjustment programmes prescribed by the fund across Latin America, Colombia is the only country in the area which has improved substantially, and is in a position for sustained economic development for the rest of the decade. Notwithstanding this economic miracle, President Betancur continues to adopt the same Latin American position that the country had outlined in the Cartagena Accord. In a speech two days before turning down the credit package, he said that faced with its external debt and threats to its national sovereignty, the area must take collective action. He added that history itself has taught Latin America a bitter lesson insofar as its economic destiny is concerned, resulting in a massive increase in its debt: the recession limited investment by overseas companies, and the deposits derived from oil price increases increased World Bank liquidity.

GARCIA REAFFIRMS INDEPENDENCE OF IMF POLICIES

PY270201 Paris AFP in Spanish 0013 GMT 27 Feb 86

[Text] Lima, 26 Feb (AFP) -- President Alan Garcia stated here today that his government will not allow the intervention of any vice royal-type mission. This is the way Garcia answered questions posed to him regarding the scheduled arrival of IMF representatives in the country. Garcia added that the government has been quite clear in stating that it will not accept any type of intervention or treatment that may undermine Peru's economic sovereignty. These missions, he said, ultimately represent an intervention in the nation's economy.

The IMF, he said, is an organization to which we historically belong, but whose nature we do not share. In the first place because we do not accept the economic policy it imposes on its member countries. In the second place, because it signs agreements with the poor and debtor countries designed to obtain credits for them on the condition that they implement the economic policy that it preaches. Garcia went on to say that in order to do this from time to time it sends missions to inspect the Central Bank vault, to talk with ministers and businessmen, to meddle in all the state's secrets, and to examine the state's account books. Garcia said that we have nothing to hide, but there is no reason why anyone should distrust Peru. Whoever wants to know how the state is running should ask the government, and we will answer them honestly.

Over the past 5 years (during Fernando Belaunde's government), the IMF sent its missions to tell us how we should handle the interest rates, how to mark up prices, and how much our electricity and oil prices should be. This has ended, stated Garcia. He admitted that this attitude could harm Peruvian-IMF relations, but what is being sought is respect for the poor and debtor countries. These countries, because they are poor and debtor countries, do not cease to have dignity and economic sovereignty, he stated.

Moreover, the president reiterated Peru's decision to only use 10 percent of its exports to pay its foreign debt. He noted that at first this was regarded as a rash decision, but other countries have begun to understand that they must limit the payments on their debt to their export potential. He asserted that the payment program has already been drawn up and that it is being fulfilled. President Garcia said that no country must sacrifice its right to develop, to grow, and maintain justice just so that it can pay its debt.

WAGNER COMMENTS ON TRANSFER OF RESERVES

PY261245 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1129 GMT 26 Feb 86

[Text] Buenos Aires, 26 Feb (NA) -- Peruvian Foreign Minister Allan Wagner Tizon stated today that the transfer to Peru of gold and silver bars that had been deposited in Swiss banks "is a normal operation by the Peruvian Central Bank." Wagner Tizon made these remarks at Ezeiza Airport where he arrived today on his way to Uruguay, where he will participate in the meeting of the Contadora Support Group. Referring to the Cartagena Consensus, Wagner stated that this meeting will be held to outline new forms of collective action "to face more effectively" the foreign debt problem.

MINERS, DOCTORS, CUSTOMS EMPLOYEES ON STRIKE

PY262225 Paris AFP in Spanish 1651 GMT 26 Feb 86

[Text] Lima, 26 Feb (AFP) -- Some 17,000 miners of the state-run Centromin-Peru company are on strike in La Oroya, 188 km southeast of Lima and have threatened to march on the capital. In addition, 7,000 doctors, 6,000 railway workers, and 3,500 customs employees today went on strike in support of salary demands.

According to a spokesman for the Centromin miners, the country's largest mining company, the workers today ratified their decision to continue the indefinite strike they began on 24 February and to stage a march of sacrifice on Lima. This decision was made after the miners' leaders and Labor Ministry officials failed to reach agreements on a 38-point list of petitions analyzed during painstaking negotiations.

The miners, whose demands are supported by some 3,000 Centromin employees, want an 80-inti -- 80,000 sols (some $5) -- salary increase, but the company has offered only a 26-inti hike. The strike, decreed by the Federation of Centromin Miners and Metalworkers, which represents 18 miner and employee unions, affects the Cerro de Apsco, Juin, Ica, and Lima mines, according to leader Luis Vizunuya. Centromin sources have pointed out that the company will be unable to grant a substantial salary increase because it is facing financial problems in the wake of the steady drop in the price of metals, particularly of copper, Centromin's main product, on the world market.

In the meantime, some 7,000 doctors of the Health Ministry hospitals and first-aid stations, who do not belong to the Social Security Institute, today decreed a 24-hour strike, demanding salary hikes and other benefits. Tito Fernandez, president of the medical association of the sector, said the strike was decreed because the authorities have refused to grant fair and moderate demands, but no figures were mentioned, and that the strike will be extended if they do not receive a positive answer. Fernandez remarked that the doctors will not issue health or death certificates and that they will only take care of emergencies.

In turn, more that 3,500 customs employees today began an indefinite strike demanding a 900-inti (some $64) across-the-board monthly salary hike and other benefits. According to Jose Agurto, secretary general of the customs employee federation, the strike will affect import and export procedures and the payment of tariffs. Passenger and freight trains throughout the country will stop as of tomorrow when 6,000 railway workers begin a 72-hour strike demanding salary hikes, the Peruvian National Federation of Railway Workers said today.

GARCIA SAYS GUERRILLAS ERRED ON STRATEGY

PY261518 Paris AFP in Spanish 1854 GMT 25 Feb 86

[Text] Lima, 25 Feb (AFP) -- While President Alan Garcia has stated that the Shining Path will be defeated because of its strategic mistake of expanding operations in the Peruvian Andes region, the police today confirmed that nine people have been killed by the Maoist guerrilla group, thus raising to 130 the death toll of terrorist victims since last January. Garcia said that if the guerrillas led by Abimael Guzman had limited their expansion strategy to the so-called Andean trapezium region, Peru would have had much more serious problems. Maybe subversion would have totally defeated our state, based on law, the president said while opening a conference on development in the Andean trapezium region formed by Ayacucho, Apurimac, Huancavelica, Cusco, Puno, and Arequipa Departments.

The Peruvian Government plans to invest $1 billion in this region to rescue some 8 million peasants from backwardness. Garcia said that, in the past 5 years, the Shining Path guerrillas had preferred to establish themselves along a longitudinal Andean axis formed by Ayacucho, Huancavelica, Junin, Pasco, Ancash, and Huamachuco (La Libertad) Departments, from where they launched sporadic attacks against the coastal cities, without having a massive presence in the jungle at their backs.

Those who know about strategy know that I am not lying... the Shining Path has suffered hard blows in the central region. They are now trying to extend themselves (towards the south in Cusco) by way of Vilcashuaman, but it is too late, Garcia said, referring to the deployment of military forces toward the south of the trapezium to intercept the guerrillas. He added that the Shining Path guerrillas whose terrorist actions have already caused some 7,500 deaths in the last 5 years -- are being driven out from the places they raid because of their methods of intimidation, violent persuasion, executions, and their kidnapping of peasant leaders in their effort to force people to join them through terror. The main characteristic of the Shining Path is the use of peasants as common fodder, so they deserve all the more to be repudiated, the president added.

Meanwhile, the police today confirmed nine other deaths attributed to the guerrillas, adding that the town of Toraya, 925 km southeast of Lima, was attacked 4 days ago by a group of 80 terrorists who killed 11 individuals, most of whom were leaders of the ruling APRA [American Popular Revolutionary Alliance] party. According to the police report, the terrorists, who were commanded by four women, fled from the town the night before the police troops arrived, but first set the town hall and post office on fire and looted some general stores.

The Civil Guard of Tingo Maria, 558 km northeast of Lima, have also reported that three terrorists yesterday shot the mayor of the town of Aucayacu Abraham Rodriguez Santos, an APRA party member. Another commando murdered Rafael Altamirano, an accountant from Daniel Alcides Carrior University in the city of Pasco, 317 km east of Lima. The guerrillas also killed Civil Guard Sergeant Noel Espinoza, his 17-year-old son, and a woman who was nearby in the town of Caimito, some 60 km from Tingo Maria.

According to the same report, another Shining Path group attacked the nearby town of Camoto, killing four people. In Monzon District, the terrorists attacked the Town Hall and the Education Ministry office with explosives. They also looked for Mayor Jorge Arcayo, but apparently he fled when the Shining Path terrorists arrived in town.

The Civil Guard reported that the terrorists also attacked the towns of Cachicoto, and Cuyacu, setting community buildings on fire, looting food stores, and frightening the peasants of this region near Tingo Maria. In Lima, the Antiterrorist Police confirmed the detention of Walter Essenwanger Sanchez, brother of General Ludwig Essenwanger, former chief of the Army Intelligence Service. According to the report, Walter Essenwanger apparently is an important Shining Path leader in charge of logistic supply operations for the guerrillas who carry out activities south of Lima.

DEBT REFINANCING CONTRACTS SIGNED IN NEW YORK

PA261843 Caracas Television Service in Spanish 1600 GMT 26 Feb 86

[Excerpt] The agreement on refinancing our foreign debt was signed in New York today. This marks one of the most important moments in our economic history. The government is thus culminating a process that lasted 3 years and that allows it to reorganize $21 million in international commitments under favorable conditions and terms and in addition, with a contingency clause that it can resort to if fortuitous circumstances alter our economic system. Carlos Fernandez will give you the details from the site of the event:

[Begin relay] A few minutes ago, Finance Minister Manuel Azpurua, with other Venezuelan financial officials, signed the contracts for the refinancing of our public foreign debt that allow Venezuela to reorganize a $21 billion debt. This ceremony was held at the Federal Reserve Bank offices in New York and is a significant action because we are the first country to reorganize payment terms without the direct or indirect intervention of the IMF, which the U.S. media says is a good omen.

According to the information given, Benito Raul Losada, president of the Venezuelan Central Bank; Jose Marcano, director of Public Finances; Carlos Guillermo Rangel, the negotiator of our foreign debt; and members of the delegation that accompanied him in the negotiations with private banks attended the signing of these agreements, of which there are 14. Of course, as we said in the beginning, the formal negotiation team was headed by Finance Minister Azpurua. The international financial sector was represented by several members of the Banking Advisory Committee. In addition, Azpurua and one representative of the creditors spoke at the ceremony. At the same time this protocolary event was underway, several presidents or representatives of state enterprises and autonomous agencies of our country were signing their refinancing contracts, but at the Chase Manhattan Bank headquarters. [end relay]

ABRAMS: REAGAN ADMINISTRATION OPPOSES OIL TAX

PA220529 Caracas Television Service in Spanish 1600 GMT 21 Feb 86

[Text] Elliott Abrams, U.S. assistant secretary of state for inter-American affairs, after meeting with President Jaime Lusinchi told newsmen at the presidential palace that the Reagan administration is opposed to the establishment of an oil tax, a measure that would affect Venezuela if approved. Abrams also said that the Reagan government coincides with President Lusinchi's opinion in this regard, adding that the tax will be studied by the U.S. Congress.

SALVADORAN VICE PRESIDENT MEETS LUSINCHI

PA231915 Caracas Television Service in Spanish 0000 GMT 22 Feb 86

[Text] Salvadoran Vice President Rodolfo Castillo Claramount has asked for Venezuela's cooperation in the draft resolution supporting his country's democratic government. It is a resolution that will be presented at the United Nations.

[Reporter Elsy Barroeta] President Lusinchi and the Salvadoran foreign minister [Castillo Claramount] discussed two topics during the meeting that they held at Miraflores Palace today. Contadora was one of these topics and the other was human rights.

In this regard, the Salvadoran foreign minister suggested to the president the idea that Venezuela cosponsor, with Costa Rica, a resolution to be presented at the current human rights meeting being held by the United Nations in Geneva.

He implied that in this resolution Venezuela and Costa Rica would support the democratic situation in El Salvador and its status as having a legitimately elected government.

[Begin Castillo Claramount recording] We need to overcome this situation because the Salvadoran people and the government of President Duarte do not deserve such treatment. [Duarte's government] is a government elected legitimately, freely, and popularly and it is making a remarkable effort to democratize Salvadoran society in an extremely difficult situation. It is a situation that Venezuela has experienced in its time and it was able to build a democratic society. [end recording]

[Barroeta] Regarding El Salvador, he stressed to Lusinchi his country's stand concerning its support for the Contadora peace efforts.

OAS SECRETARY GENERAL MEETS WITH PRESIDENT

PA260314 Caracas Television Service in Spanish 0000 GMT 26 Feb 86

[Text] OAS Secretary General Joao Baena Soares today talked with Venezuelan President Jaime Lusinchi regarding the organization's plans and its reaffirmation as a regional forum. The following is a report by Elsy Barroeta:

[Begin recording] The meeting between President Lusinchi and OAS Secretary General Joao Baena Soares took place in the president's office at Miraflores Palace.

They discussed various subjects, especially the efforts the OAS is making for the good of the peoples on the American continent.

Following the meeting, the OAS secretary general talked to the reporters who were waiting in the halls of the palace. He said that he was very pleased with his talks with the Venezuelan president and added that in the next few days, specifically tomorrow, he will travel to Antigua and later to Brazil where he will attend the meeting of the Inter-American Press Association.

Regarding the situation in Haiti, Baena Soares said that he will follow the situation through the OAS and will also follow up on the humanitarian aid they may need. [end recording]

SILVA HERZOG VISITS U.S. TO DISCUSS FOREIGN DEBT

Negotiations 'Complex'

PA251409 Mexico City XHDF Television Network in Spanish 0300 GMT 25 Feb 86

[Text] Finance and Public Credit Secretary Jesus Silva Herzog has stated that the negotiation of the Mexican foreign debt will be difficult and complex. He is in Washington today. Here we have a report by Claudio Guzman:

[Begin recording] In Washington today, Mexico began the negotiations, which are expected to be difficult and complex, to thoroughly reorganize the service of our country's foreign debt, which amounts to $96 billion. A Mexican delegation began its work with the U.S. Treasury Department this afternoon. This delegation is headed by Finance Secretary Jesus Silva Herzog and is made up of Miguel Mancera Aguayo, director of the Bank of Mexico, and Jose Angel Burrilla, credit director.

Profound interest in Friday's speech by Mexican President Miguel de la Madrid was expressed in Washington D.C. The speech was described as the right program for economic stabilization. Official sources of the Treasury Department said they trust that Mexico's stabilization program will be implemented immediately in order to solve the most critical problems. The Mexican delegation said that it will take time to obtain specific results in the negotiations that began today.

Silva Herzog and Mancera Aguayo will point to the need for the international banks to participate in the adjustment of international finances and to make sacrifices because they are coresponsible for the foreign debt problem. It is a problem that represents $370 billion in Latin America and $800 billion in the developing world. The negotiations will be based on the following points: the adjustment of the service of the debt to the country's real capacity for payment, efficient mechanisms for financing and the reduction of its cost, the opening of markets that allow us to export, and the right international climate for cooperation among nations.

After the negotiations conclude in the United States, Silva Herzog will go to Punta del Este, Uruguay, to participate in the ministerial meeting of the Cartagena Consensus, which is made up of 11 debtor countries of this continent. The meeting will be held on 27 and 28 February. [end recording]

Discussions With Officials

FL251534 Mexico City NOTIMEX in Spanish 0342 GMT 25 Feb 86

[By Jose Carreno]

[Excerpts] Washington, 24 Feb (NOTIMEX) -- Mexican Finance and Public Credit Secretary Jesus Silva Herzog began discussions today with U.S. officials to present the new panorama on Mexico's foreign debt crisis, said Silva Herzog's spokesman. Silva Herzog met this afternoon for approximately 2 hours with U.S. Treasury Secretary James Baker and Federal Reserve (the Bank of Mexico counterpart) President Paul Volcker.

Resendiz told NOTIMEX that this is a new situation and immediate responses should not be expected since this involves a long, difficult, and complex negotiation process.

Silva Herzog will meet on Tuesday with officials from the IMF, World Bank, and Mexican Embassy. Resendiz said that a meeting with Secretary of State George Shultz has not been decided.

Optimistic About Renegotiation

FL262223 Mexico City NOTIMEX in Spanish 2035 GMT 26 Feb 86

[By Roberto Gonzalez, correspondent]

[Excerpts] Mexico City 26 Feb, (NOTIMEX) -- Shortly before returning to Washington, Mexican Secretary of Finance and Public Credit Jesus Silva Herzog said renegotiation of Mexico's foreign debt under new conditions is going well. After meeting with New York bank officials, Silva Herzog said he was optimistic because of the sensibility the international finance world has shown toward Mexico's economic problems.

Immediately after he met with the banks committee, Silva Herzog returned to Washington, where he is scheduled to meet today with IMF Managing Director Jacques Larosiere, and will hold a third meeting with U.S. Treasurer James A. Baker, Silva Herzog said: I am optimistic. Tomorrow he will be in Punta del Este, Uruguay to attend a Cartagena Accord meeting. The Cartagena Accord groups 11 indebted Latin American countries. Likewise, the finance secretary asserted that after leaving Uruguay, he will return to Mexico City and report to President Miguel de la Madrid and next Monday will return to New York to continue negotiations with creditor banks.

PRESIDENT SAYS COUNTRY TO FULFILL DEBT PLEDGES

PA260311 Mexico City XHDF Television Network in Spanish 1955 GMT 25 Feb 86

[Text] President Miguel de la Madrid asserted that Mexico cannot be considered an irresponsible country because it does not evade the fulfillment of its pledges. Today the president of the Republic inaugurated the annual National Association of the Processing Industry, Canacintra assembly.

[Begin Humberto Mares Navarro recording] We are not an irresponsible nation and we are not asking other nations to pay our debt; Mexico will fulfill its pledges as it has done thus far, it was asserted this morning by President Miguel de la Madrid. The president added: It is not just to despise what the Mexicans have achieved through their efforts and work. Consequently, he said, I will not let others judge us as an irresponsible nation. President Miguel de la Madrid asserted this when inaugurating the annual Canacintra assembly. He said that Mexico does not evade its pledges, but it is necessary that our internal efforts be met by the international economic community with a realistic, objective, and equitable view of the situation.

In addition, Commerce and Industrial Development Secretary Hector Hernandez Cervantes asserted the federal government's willingness to support companies that reinvest their profits.

Later, the president presided over the ceremony to bid farewell to Ambassador Rafael de la Colina, who dedicated 68 years of his life to the Mexican foreign service. President Miguel de la Madrid said at the National Palace that the Mexicans reasserted their unity against any intervention, and we will not give up our sovereignty, independence, or identity because of the current situation and its challenges.

He said: We will not lose our country's historical vision of safeguarding our sovereignty and free determination even during difficult times, because they are our most valuable possessions. [end recording]

EXCELSIOR ON GRENADA INVASION, REAGAN VISIT

PA261535 Mexico City EXCELSIOR in Spanish 24 Feb 86 pp 1-A, 14-A, 36-A

["Time and World" column by Djuka Julius: "Mockery"]

[Excerpts] The hero's welcome prepared several days ago in Grenada for President Reagan, the man who decided to intervene militarily in that small Caribbean island a little over 2 years ago, was an attempt to legitimize and sanction the U.S. armed intervention and warn "whom it may concern" that Washington reserves the right to continue intervening militarily in the hemisphere and outside of it whenever it finds that this is vital to its interest. Thus, the visit to Grenada mocked the sacred right to nonintervention, the only weapon possessed by the weak of this era and the world. The show would be complete if Soviet leader Mikhail Gorbachev were to visit the Afghan capital of Kabul in the near future, also to be received with a hero's welcome.

The fact that the English-speaking Caribbean leaders who accompanied Reagan during his visit to St. George's only 2 days ago asked him to intervene in Grenada does not alter the essence of the intervention, but only its shape, giving it a dubious multilateralized political hue. The whole world knows that it was a preplanned U.S. military intervention that bore little or no relation to the request of the English-speaking Caribbean heads of state, with the exception of those of Trinidad and Tobago, Guyana, and Belize. The Latin American community must be even more concerned over the fact that President Reagan's visit to Grenada, which is still partially occupied, was a symbol and reaffirmation of his determination to use force whenever he finds that this suits the United States' interests.

Leaving the statements by the Grenadian hosts and the American president aside for a moment -- though lessons can also be extracted from these -- the objective political aim of Reagan's lightning visit to Grenada is to reaffirm armed intervention as a recourse of U.S. strategy. This naturally tends to encourage the other superpower and even medium-size powers to use military intervention as a tool to advance their interests.

If the international community, beginning with the small, weak, and threatened nations, does not emphatically oppose this growing tendency to legitimize or at least excuse the recurring practice of using military force to intervene in the domestic affairs of states, international law will be weaker every day and the law of the jungle will prevail in the world.

Despite the facts that the regime established in Grenada did not withdraw from the Nonaligned Movement, that the Grenada Government is a protege of the United States, and that the Grenadians apparently support the new democracy-oriented regime and the current government there, it would be extremely dangerous if on account of that the origin of the change were forgotten: a U.S. military intervention. It would naturally be worse if the Grenada invasion had after effects and the United States, because the invasion was followed by silence and forgetting, came to the conclusion that this method is permissible, feasible, and adequate.

President Reagan himself, during his speech in St. George's, in the presence of most of the leaders of the English-speaking Caribbean referred several times to the need to use all of the United States' power to guarantee that all of the Latin American and Caribbean nations will have democratic governments; that is, that those which are not democratic in the eyes of the United States will be changed.

In the same vein, the many U.S. interventions in Central America, whether direct, indirect, or veiled, are also carried out in the name of freedom and democracy. They are supposedly aimed at protecting this area of great strategic value for the United States from subversion, aggression, or the penetration of communism, of Cuba, and of the Soviet Union. Reagan said in Grenada that he does not plan to invade Nicaragua and that he never had such plans, but at the same time he asked for $100 million to help the "contras." Meanwhile, his closest aides explain that this indirect intervention -- the support to the counterrevolutionaries (called "freedom fighters") -- and the U.S. economic, political, and diplomatic pressure will be enough to destroy the Sandinist revolution and regime.

In other words, Washington verbally applauds Contadora's peace and mediation efforts, but in reality it carries out a policy of strong threats, pressure, and indirect military intervention against Nicaragua. This is accompanied by a massive military presence in Honduras and an almost direct armed intervention in El Salvador.

Those who justify or excuse any armed intervention regardless of who carries it out are making a terrible mistake! As we have seen, foreign interventions are always explained and justified by some "high" reason. Nevertheless, interventions cannot be good or bad, acceptable or condemnable in accordance with the viewpoint or interest of those judging them. Foreign armed interventions of any ideology are without any exception unjustified and contemptible under each and every circumstance!

The legalization or glorification of intervention, as was attempted in Grenada, is not only a mockery of international law but a dangerous precedent and a permanent and increasing threat to weak countries and peoples. All the governments from one or the other side which, because of their ties and commitments to one of the superpowers, voted in the United Nations in favor of some foreign military intervention, made a serious mistake. With that vote, they are justifying any future armed intervention by one or another power under some pretext which could threaten them directly or indirectly.

There is no doubt that the intervention in Afghanistan facilitated, at least politically and psychologically, the intervention in Grenada. The concentric circles of an intervention pave the way for other interventions. They also increase the dangers. The intervention of Grenada today threatens Nicaragua. Not only does it threaten that besieged country but perhaps our entire region.

One must ask: Why was it that only a few days ago, the current Grenadian Government, alleging financial difficulties, announced that it was withdrawing from the Tlatelolco Treaty, a report that we exclusively published? Is it that the modern Point Salinas Airport, now with new owners and possible users, might be used for objectives that are contrary to what is stipulated in the pact that established the first nuclear weapon free zone in Latin America and the Caribbean?

The consequences of foreign military intervention are without exception unfortunate. We cannot permit a mockery of the principle of nonintervention, which is the only effective protection of the weak.

COSTA RICA

MONGE CLARIFIES REASON FOR SHLAUDEMANN VISIT

PA260420 San Jose Radio Reloj in Spanish 0100 GMT 26 Feb 86

[Excerpt] President Luis Alberto Monge has issued a written statement in which he notes that the purpose of the visit by U.S. roving ambassador Harry Shlaudemann is to report on his talks with the heads of state of Argentina, Uruguay, Peru, and Colombia.

[Words indistinct] Ambassador Shlaudemann frequently visits our country and has always kept us abreast of the efforts he makes to fulfill missions entrusted to him by President Ronald Reagan in his capacity as U.S. roving ambassador for problems in Central America, the communique says.

The statement issued by the president of the Republic blames the Costa Rican press for making contradictory interpretations of the interview granted by the Costa Rican president-elect [Oscar Arias] to a U.S. television program. It is evident that emphasis has been placed on a single point of disagreement on how to curb the expansion of Marxism-Leninism and to promote the democratization of Central America, specifically in Nicaragua, the communique adds.

Further on, it notes that some of the interpretations omit concepts that clearly agree with the objectives pursued by the United States and the other four democratic nations in Central America with regard to peace and democracy. Monge states in his written statements that Costa Rica cannot conceivably be separated from President Reagan's sincere efforts to achieve national reconciliation in Nicaragua and adds that we harbor no doubts whatsoever about the honesty with which Reagan defines the institution of free elections in our countries.

In addition, he notes that Costa Rica cannot be conceived as being separated from efforts to hold truly free and honest elections and to set into motion, as is already the case in Honduras, El Salvador, and Guatemala, a democratization process in Nicaragua.

After stressing that President Reagan's behavior in relation to the fraudulent elections in the Philippines is additional and categorical proof of the good faith with which he acts in these controversial [word indistinct], President Monge added that Costa Rica feels only gratitude toward the U.S. President.

Referring to the visit by U.S. roving ambassador Shlaudemann, the communique concludes by stating that this gratitude stems from the candid and open solidarity as well as firm support which he has given to democracy and peace in Costa Rica.

PRESIDENT-ELECT TO VISIT COLOMBIA, VENEZUELA

PA252024 San Jose Radio Impacto in Spanish 1830 GMT 25 Feb 86

[Report by Jorge Hernandez from the office of President-elect Oscar Arias Sanchez in San Jose -- live relay]

[Excerpts] The meeting the president-elect was holding with the future deputies who will make up the National Liberation Party [PLN] faction at the congress to be installed on 1 May concluded a few minutes ago.

At the end of the meeting, the president-elect referred to the arrival of Rafael Angel Calderon Fournier, former candidate of the Social Christian Unity Party, and noted that he is always willing to hold fraternal talks with his former rival, putting aside any selfishness and all the statements they made during the recent electoral campaign in which Calderon Fournier was defeated for the second time.

He said that in this regard he doesn't have the time to hold a dialogue right now, as he is very busy this week, as well as next Sunday and Monday. On Sunday and Monday he will be going to Venezeula and Colombia where he will talk with the leaders of those nations. However, he said that he is always willing to talk with his former rival, putting differences aside in order to work together for the country's welfare.

Arias Sanchez also emphasized that today's meeting and the drafting of a regulation will help keep good relations between the PLN faction and the executive branch for the next 4 years.

The president-elect also commented on his meeting this morning with Harry Shlaudemann, the U.S. roving ambassador. He noted that they discussed certain aspects of foreign policy and he also referred to his comment about his position regarding the financial aid that the U.S. Government might give to anti-Sandinist counterrevolutionaries.

Regarding this, he said that his position is not offensive to President Ronald Reagan's policy on aid to the counterrevolutionaries. He said he is always willing to work for peace and that he agrees with all the Latin American and European leaders that it is more feasible to try to reach a peaceful settlement in Nicaragua rather than an armed solution.

Arias Sanchez confirmed that he will officially announce the names of the ministers who will join him in the next administration at the Coribici Hotel at 1000 on Thursday.

On Saturday, [corrects himself] on Sunday, he will leave for Venezuela, where he will meet with President Jaime Lusinchi. On Tuesday, 4 March, he will talk with President Belisario Betancur in Colombia. He will then return to the country and his main task will be to hold another meeting with PLN deputies in order to choose, once and for all, the leader and assistant leader of the PLN faction.

From the meeting with Shlaudemann, it was clearly settled that the future foreign minister will be Rodrigo Madrigal Niéto, as this station reported on the same day on which Arias Sanchez was elected on 2 February.

ARIAS' ENVOY TO CONTADORA PRAISES GROUP'S EFFORTS

PA251822 San Jose LA PRENSA LIBRE in Spanish 17 Feb 86 p 7

[Text] Jorge Urbina traveled to Panama as the envoy of President-elect Oscar Arias Sanchez to observe the meeting of the Contadora Group in that city.

Before leaving, Urbina said that the Monge administration -- like other governments -- at one point in time indeed believed that the Contadora Group's efforts had collapsed. However, faith in the group has prevailed because "Costa Ricans believe that the only way to resolve the area conflict is through a political solution."

Regarding Costa Rica's involvement with the group's work, he said: It was important from the beginning in various actions adopted by the Monge administration. I believe this will continue into the Arias Sanchez government.

"National reconciliation and democratization have been the main focus of Costa Rican actions; those and respect for human rights," he remarked, adding that they will probably remain so because they support the position that attempts to find a solution through dialogue and understanding instead of violence.

Regarding Contadora's Support Group -- made up of Peru, Brazil, Argentine, and Uruguay -- Urbina indicated that this group increases the spirit of Latin American unity and that it has reaffirmed the possibility of reaching a solution through goodwill.

He believes that Contadora still has many obstacles ahead and that it must attempt to sponsor a meeting with the Cuban and Nicaraguan Governments, as it recently did with the United States through the mediation of Secretary of State George Shultz. He described that meeting as "very positive."

The Contadora Group should discuss with those governments the establishment of a policy that will take Central America out of the East-West conflict and out of the confrontation between democracy and communism, and ask them to make possible a process of democratization "that should end with the establishment of governments chosen by the free wills of the Central American peoples and all those peoples who want to live and progress in peace."

He added that a solution will probably be reached as soon as the FSLN party allows freedoms for other groups in Nicaragua, opens some forum at which Nicaraguans can discuss their problems and choose a government that is legitimate, and lays down its weapons.

He added: "If the Nicaraguan Government agrees to this and allows free political competition, I am certain that the Contadora Group, enriched by the Support Group, could also contact the United States."

If the Nicaraguan and Cuban Governments make concrete commitments, Contadora will be able to speak with much more authority before the U.S. Congress so that it will promote and support actions for peace and not increase military tension, as is the case at this time.

Regarding the Reagan administration's assistance to the Nicaraguan rebels, Urbina said: "All the actions that increase military tension are negative." The fact that they are right does not mean that they are contributing to peace in the area.

Urbina, who is the former deputy foreign minister, was appointed as the representative of the new Arias Sanchez administration.

He said his mission will be to report to the president-elect on the Contadora meeting and assure [that group] of Costa Rica's continued participation in its negotations.

U.S. ENGINEERS ARRIVE FOR TRANSPORTATION PROJECT

PA242245 San Jose Radio Impacto in Spanish 1830 GMT 24 Feb 86

[Text] Fifty U.S. military engineers arrived in San Jose today from Howard Air Force Base in Panama to carry out the construction and repair of bridges in the country's south.

The contingent, part of 170 expected in the next few days, landed at 1050 local time at the Juan Santamaria International Airport. After leaving a U.S. Air Force aircraft, the engineers boarded two U.S. helicopters waiting for them on the runway and were immediately flown to the country's south. The U.S. engineers have come to Costa Rica at the request of the government headed by Luis Alberto Monge. They will work on transportation projects in an agricultural area near the border with Panama. The engineers will be based in Quepos, on the Pacific coast.

The project has been named Bridge of Peace 1986 [Puente de Paz 1986] and will consist of the construction of a bridge and the repair of three others on various highways of the Parrita-Dominical agricultural and livestock area, 100 km from Panama.

Costa Rican Foreign Minister Carlos Jose Gutierrez said that the engineers will work only on civil projects and that their security has been entrusted to the Civil Guard. The minister stressed that the engineers are unarmed and that their activities will be civilian only.

EL SALVADOR

DUARTE DISCUSSES ECONOMIC MEASURES, REBELS

PA262322 San Salvador Domestic Service in Spanish 1800 GMT 26 Feb 86

[Press conference with President Jose Napoleon Duarte by foreign and domestic journalists in San Salvador -- live]

[Excerpts] [Duarte] [Words indistinct] explain my viewpoints, my position, and my actions. Within this framework, I have always tried to answer your questions. We will do that now as well [words indistinct].

[Moderator] [Words indistinct] before the first question, I would like to request that all questions in Spanish be made first, please.

[Unidentified reporter] Mr President, I hope that my question will not anger you. However, many governments facing problems that can lead to a crisis solve those problems first, and then go on to solve other problems. Your government, unfortunately, gives the impression of accumulating problems one by one [words indistinct] hindering the good work of your government. Can you tell us whether this impression is true and, if so, what is the reason?

[Duarte] I think that from the viewpoint of what we want to accomplish in our country the impression is wrong. I believe that each government action [words indistinct] politics is measured according to the political space in the country. Within that political space. [words indistinct]. That is why I have dedicated efforts to face a serious crisis that we cannot ignore: the economic crisis.

Of course, an economic crisis of the magnitude facing the country, which is affected by changes in the exchange value of essential products such as petroleum, medicine, fertilizers, foods in general, all essential goods, definitely affects many sectors [words indistinct] sectors that will only focus on the immediate effects. They ignore the long-term effects brought about by the measures.

I am constantly listening to people who wish to provide me with information regarding distortions that measures could have brought about. I will give you an example. Yesterday, we noticed that in the [word indistinct] system that was approved not by us, but by all of Central America -- and which was ratified in the treaty and therefore is a law in the Republic, there are groups of products that include many different goods.

Among those groups of products there are some goods that should not enter the country because they are (?luxury products) and, unfortunately, others in the same groups essential to the country such as raw materials. It happens that when conditions are established for those groups, luxury as well as primary products are affected. Yesterday, we were seeking a way to counter this because we are not trying to adversely affect national industry. Quite the contrary, we are trying to support it.

[Contreras] Armando Contreras of the newspaper EL MUNDO. Mr President, yesterday we were invited to a press conference by the National Union of Salvadoran Workers to discuss what is considered a slander campaign promoted by the government which is linking the union to radical organizations. During the press conference we asked a union leader why the union no longer supports you. I remember that the government once boasted that it had the support of the union's 415,000 members. The workers claim that they were not obligated to any political party only to a government program, but that you had betrayed the program because have you never taken an action leading to peace. What is your reply to them?

[Duarte] My reply could be similar to what they have done. However, I do not think this is the time to show resentment. Let us say something that will benefit the country. I do not think anyone ignores the fact that, in the organized labor and peasant sectors, there have been divisions. There are sectors supporting the government -- the ones that originally signed the [word indistinct] -- and there are sectors not supporting the government and clashing with the other worker groups. [Passage indistinct]

The government has no intention of meddling in the internal affairs of these groups because we would be running into problems. Each organization would like to have the government's support in order to subdue the other group. I will not do this. I will not support any specific group because I do not wish to meddle in the unions' freedom to organize and their democratic rights. Therefore, I respect the right to make a decision by those that did not agree with the government and left. That is their right. They have done what they wanted; they will probably be in a position to criticize the government, which will continue to defend their right to freedom.

The government will try to solve the problems it has agreed to handle. We promise to carry out the fundamental principles of the social agreement. This is what we are doing. I have been constantly struggling to obtain peace. I have even discussed the issue with the guerrillas. Remember that we have had several meetings with them in an attempt to seek peace. We have made a big effort in the country to prevent the abuse of power of any kind. This has been building confidence among various sectors in order to reduce pressures and strengthen peace. Peace cannot be achieved if all sectors do not agree to have peace. We should not think that we are going to have peace just by holding dialogues. It is an instrument but not a solution for peace. The solution rests on the people's political will to put hatred out of their minds and hearts and to be tolerant and understanding. Without tolerance and understanding we will never have peace. This implies an obligation from all sectors from the extreme right to the extreme left. I am working on this.

The social agreement implies a strengthening of the effort to help the peasants and we are doing this. As a matter of fact, during this economic reactivation and economic readjustment period, we have tried to improve the peasants' situation. If I give you figures you will see that prices supported by the Institute of Supply Regulation [IRA] are way above what they once were. This means that the peasants will obtain more money for their products. We have increased the wages of peasants who had not had a wage increase on their minimum wage scale for the past 5 or 6 years from 4.50 to 8 colones.

We have continued the land distribution process. We have distributed some 6,000 parcels, and we plan to deliver 6,000 more. Therefore, we are working on the things contained in the social agreement that we consider important. I am committed to making these efforts, which I will continue to do.

What is happening is that some become impatient and want things done overnight. We must realize that in the crisis we are experiencing, we cannot achieve things overnight. The means we have are limited; therefore, we must work based on the limited resources we have and think how we are going to reactivate the country and correct the mistakes.

The measures we have taken are not new. From the economic viewpoint we must remember that in 1980, we implemented the parallel market measures, and we began to place some products on the parallel market, because the problem already existed and we had to correct it.

At a time when the crisis is getting worse, we have to take measures before it becomes more complicated. I said this during the campaign, and it is part of the fundamental concept of the social pact. I said that we had to make amendments to our economy and that we had to draft a plan that would gradually make this possible. This meant that we had to make changes gradually, and that is what we are doing now. Taking one measure after another to put our economy on a good footing.

Ours is a subsidized economy, a consumer economy, an economy which has many Gordian knots in its productive system which we have to correct and which we have to solve in order to produce more and better.

Ours is an economy based on basic agricultural products which have lost their value. Ours is fundamentally a trade economy, an economy of local trade and not of exports. We have to correct all these things, but we cannot do this overnight. The measures we have implemented are part of those commitments. Remember that I made a series of speeches on the economy during my campaign. Remember that I once talked about what is known as the war economy. I also talked about the need to make economic changes, about the economic process. I talked about these things during the campaign. These were the things I told the people that we had to do.

In general terms, the sectors that have separated from the other groups have misinterpreted things. There has been a division among them, some groups no longer support the government, others still do. Even some which are not in line with the government are supporting the government's economic measures. We also have the support of people who have realized that whatever is the country's program, there has to be an authority in order to go ahead with the measures that are not easy to take, but are indispensable. If we do not take them, we are going to suffer the consequences later on. I think that many sectors understand this, there are other views. It is easier to protest and to criticize. I think we are making a great effort on behalf of the country to fulfill the commitment I reached with the people and which I called a social pact.

[Beltran] I am Raul Beltran of UPI. Mr President, according to an announcement of the Association of Salvadoran Coffee Producers, they have issued a communique in the past few hours asking you to give the names of civilians and military personnel linked or involved in a plot to carry out a coup d'etat. My next question is, on the sixth anniversary of the assassination of Msgr Oscar Arnulfo Romero, how far has your government gone in the investigations and in bringing to justice those responsible for this crime?

[Duarte] In the first place, as head of state I do not have to answer to sectors that have acted in such a disrespectful manner as the members of the Coffee Association.

They have issued other communiques along the same line. Some have been addressed to the Armed Forces, demanding them to take actions to clear themselves, and if they do not, it is probably because they were going to go ahead with a coup. [sentence as heard] As president of the Republic I cannot take part in such a dirty trick [jugue-reta]. That is my reply.

Regarding the second point, the one about Monsignor Romero, I would like to tell you that we have continued the investigation. There is a commission, which has been comprised and trained to do this, and it has carried out new investigations. These new investigations include statements from important persons, including some members of the church who have some information about the issue; they have already presented their declarations to the attorney general of the Republic. Some progress has been achieved in this regard and the commission is following some other clues. We are currently trying to find out about some persons who apparently live in the United States and have some information regarding this. We are looking for them to see if they can give us some information.

In addition -- and I think that you know about this -- the reporter who took some pictures at the church on the day that monsignor died has issued additional declarations, which he did not give at the time of the interview. The reporter was questioned at the time, and he issued a series of statements, which have been duly notarized. First, he issued a statement at the legal aid office and then at the attorney general's office to the commission that was comprised for this case. In the statement, he mentions names and details. However, he has apparently left the country; he is abroad. He left immediately after issuing his declaration because I imagine he was afraid of what he had reported and he [words indistinct]. Consequently, we will continue to gather information for the investigation.

[Moderator] President Duarte, reporter Ismenio Ibarra, from UNIMEX.

[Ibarra] Mr President, I have two questions. The first question refers to the demonstration which was carried out the other day. It was stated that they presented an 11-point proposal and gave you 8 days to answer the proposal. What will be your reply to the demonstrators? The second question refers to this: Radio Venceremos has issued a communique stating that they are going to break the agreement they have had with you since Panama. What can you tell us about this?

[Duarte] First, I want to tell you that the sectors which have presented [words indistinct] a letter are obviously justifying a negative reply because they are requesting the following: The request, ah....

[Question indistinct, interrupting]

[Duarte] What do they request in the letter? They request that we eliminate [corrects himself] that we repeal all the economic measures. This means we must return to the 2.50 colones for a dollar exchange rate; this means there would be no money, not even to pay the coffee producers for their coffee. There would be absolutely no money. They also demand a general salary increase; therefore [changes thought] we have already done so. We have paid [changes thought] we have already granted a salary increase, but they apparently want to use this to give the labor sector a basis for demanding increases that cannot be approved because they cannot be paid. The third [as heard] one is that the state should absorb the debts of all the small and medium-sized cooperatives and companies. If the state absorbs this it means that the people will absorb this because the state is independent; it lives on what the people pay in taxes.

This would be equivalent to taking the debt and transferring it from one side to another. If the people are willing to pay 800 million colones in debts and accept the taxes for paying this, you can imagine what impact this would have. Therefore, they do not seek to solve the problem; they seek to worsen it.

In addition, they said that the development bank should continue to supply raw materials at the old prices. Please bear in mind that these materials are purchased in dollars and therefore should be paid in dollars. They think that the price of all the materials should be cut; this would mean that the state and the Development Bank would lose 200 million colones. Who would pay for this? Where would this money come from? This means that the bank would go bankrupt.

In addition, they say that [words indistinct] with an additional 25 percent increase. This means that the IRA would have to subsidize [changes thought] if the IRA buys at 31.50 [currency not specified] and sells at 27.00 it is actually subsidizing everything because it must also include its own expenses. If you add to this the price of all the materials, then the subsidies would be even more. The IRA is already costing the government around 50 million in subsidies, so this would represent an additional 100 million colones. Consequently, we are talking about approximately 2 billion colones, and we are only including this sector. The state would have to take the 2 billion colones from the nation's general budget; that would mean duplicating the nation's budget. Consequently, the reply is obviously negative. One cannot [changes thought] no country in the world can possibly exist like this.

They have their reasons for wanting to do this, for proposing this. It is easy to see and ascertain what is behind their proposals. It is easy to create enthusiasm and destabilization through such an event. Since they do not aim to attain benefits for the working classes, there is your answer. They seek to destabilize the country, and the government cannot possibly accept this. If only I could give a better income to the workers and peasants. The people do not doubt that I have always worked and tried to help the workers and peasants in the best possible way; however, this must be done within the norms to maintain stability in the country [words indistinct] the country's economy. Who would benefit from the country's collapse? The extremists would obviously benefit from this. Consequently, they only aim to provoke a political instability because they do not want democracy for our country. They are seeking to destabilize our democracy through every possible means, and this is precisely your second question.

Your second question states that the terrorists have said that they will break the agreement concerning the issue of relatives. I remember that when [changes thought] one day we were at the airport and you all were there. I think even Roberto [not further identified] was there so he will not let me lie to you. Everyone was there for the funerals and the moving of the four marines from the Zona Rosa. While we were there I was asked some questions, and I said there was a clear, specific, and confirmed threat that the terrorists had prepared a plan to kidnap one of my children. You published this, and I also told Monsignor Rivera y Damas.

Monsignor Rivera y Damas held a meeting with the terrorists, and they swore this was false and that they were not going to kidnap one of my relatives or one of my children. Exactly 8 days after the meeting, they kidnapped Ines Guadalupe before making a second [corrects himself] a first attack, which was [words indistinct] in a restaurant. Therefore, they lie, and since they lie I think it is obvious that they are preparing another kidnapping of a relative. That is why they are saying these things. This is part of the scheme they are dedicated to: pure terrorism.

They are no longer efficient, the people have rejected them and, therefore, they resort to terrorist actions to impress and impact upon the world, to be in the news. Of course, kidnapping a relative of a personality, or that of the president, a minister, or a member of the military would constitute news. Therefore, this is part of a destabilization and terrorist plot.

They have never fulfilled their promises. Look at what happened in Tenancingo; ask the monsignor. He will tell you how those men who said they would not be there are actually there permanently and hold press conferences. You yourselves have held press conferences with the guerrillas in Tenancingo which Monsignor Rivera y Damas himself opposed. They do not heed orders; they do not respect anything. Note that on the day we turned over prisoners who had been in jail in exchange for Ines Guadalupe, there were no troops in Tenancingo. However, guerrillas were present in Tenancingo. Why? Because they do not heed orders, and they do not fulfill commitments. This is normal for them. Therefore, I am not surprised that they are assuming that attitude, because it is part of the press scheme they have tried to project to the entire country.

[Moderator] Mr President, the next questioner is reporter Carlos Rosas Gaitan from the communicators center.

[Rosas] Mr President, during the press conference we have heard about your economic project and the situation in the country. You have said that leftist as well as ultra-rightist groups are attacking your project and destabilizing your government. What will your government do regarding these people who are implementing this scheme and behaving in this way because they are destabilizing your government and opposing your economic package? What will you do as the elected president of this country?

[Duarte] In fact, this is the main issue of the great crisis that prevails in every sector of the country. As our main goal I have established that the country should live in democracy and attain the levels of coexistence and understanding that are necessary to achieve peace. These are the two great factors a journalist was asking about when referring to the problem of those who disagree with what I say. These are the two main factors. Of course, there have been people who whispered in my ear that I should repress them, that I should take action against them. They ask: Why do you let them insult you so often in the newspapers? Why do you allow them so much disrespect? I think the first example to be given in a democratic process should come from the president who must clearly understand the meaning of harmony and tolerance, not of weakness.

In other words, if one loses sight of one's goals and becomes angry, or if one loses control and adopts certain actions this can distort the scheme of things and the final goal; that is, democracy and the search for peace. Consequently, if some sectors want to issue a statement -- and they have a right to do so -- against the government I must act accordingly and accept their right. However, the other sectors must also bear in mind that I also have a right to state my own opinion, and no one has the right to silence my opinion if it contradicts that of the other sectors. This is the first reply I can give you regarding respect for others opinion and freedom of expression, which must be maintained as a fundamental principle of democracy.

The second point is: What happens if these people's efforts go beyond issuing a statement or voicing an opinion against the government and they carry out destabilizing actions? Ah, my duty would be to first learn about the phenomenon; second, report this to the people. A few moments ago, you were mentioning a coup d'etat and all of those things. Obviously, I must immediately tell the people what the problem is so that they are aware of it, given that their participation is also important in a democracy. Consequently, the people should know what is happening in the country and that is what [passage indistinct] destabilize the process with their actions.

The third point is when they want to carry out specific actions. This would involve criminal actions and we would have to act accordingly. Consequently, we must be aware of the three levels that prevail in a legal state and act accordingly. I think we have not yet surpassed the first level; therefore, this is where I must be very understanding and accept the democratic process, accept criticism, and work so that this phenomenon of opinions is countered with other opinions. That is why I am struggling to carry my message to the people so that they are not misled. I have asked the news media to be truthful, to avoid giving information that is untrue, to avoid provoking a destabilization process by issuing statements or publications that might provoke further destablization.

Therefore, this is my job and I am performing it with many sacrifices because it is undoubtedly very difficult and sad to think that one is working for the country, exerting oneself to the utmost, and taking risks that involve having people who do not understand you even though one knows that sooner or later if one does not adopt the necessary measures or sacrifices oneself even more this might end by turning over power to the extreme left and installing a totalitarian dictatorship in the country. All of those who have something to lose do not want to contribute or help in any way to safeguard their own things. If leftist totalitarianism is installed in the country they will have to live in Miami or go somewhere else because they cannot live here; they will lose everything.

I advocate the belief that we should all have the opportunity to live in this country; that those who have something to lose should defend it; those who have enough should share it and participate in the process; those who have nothing should feel that the country is giving them the opportunity to have something; those who feel hate and are living in the mountains should feel that we have democracy in the country and that they can freely voice their opinions, live in this society, achieve their goals, and even attain political positions through a democratic process.

This is democracy, and I feel this is not only a theory. For this reason, I have had to be understanding and tolerant to lead the country in this process. It is necessary to cope with the situations as they appear. This even includes the many things that some want to discuss at once. In truth, we should be consistent and deal with each situation one at a time. This my answer to your question.

[Moderator] President Duarte, I now invite Cristina (?Hasburis) de Medina from AFP.

[Medina] Mr President, a few moments ago you mentioned dialogue as an instrument for attaining peace. Yet you have also said that the guerrillas are not willing to hold this dialogue. My question is this: Under the current circumstances, do you plan to propose a meeting with the guerrilla leaders, including a specific place and date for this dialogue, or do you expect short-term military victory?

[Duarte] Neither. One thing at a time. Regarding the space that we mentioned at the beginning, when Vasquez of EFE asked me, I said that I felt we should open a space and try to deal with and solve one of the problems. I opened a political space, and dialogue is included in this space; namely, La Palma and Ayagualo. All terrorist sectors were mistaken and did not understand how far the country would go. They tried to strain the space by making demands such as the one I have just mentioned.

In this framework, they continued to demand all of the things that the country as a nation cannot accept and that the Constitution forbids. For this reason, and as long as they keep this stance, it is not possible to formulate a plan in this direction. This would oppose the Constitution and the raison d'etre of democracy. We would simply hand over power to those who want to attain it through force. This does not mean, however, that dialogue does not continue to be a valid instrument. It is still valid. Aga[illegible] we must seek a space in which we can hold a dialogue.

As you will surely understand and, as Vasquez of EFE told me, I would say at this moment: Yes, we will hold a dialogue tomorrow at 1500. This would mean the creation of another problem in the country, in addition to the economic problems I now must handle. At the present time, I am dealing with a solution to the economic problem. I must first solve this problem and then open a space for a possible dialogue. I have always presented the possibility of a dialogue within the Constitution. In addition, it must be a sincere dialogue, one that will not seek power per se, but a way to serve the people and ease the people's suffering. If dialogue is possible within these three levels, I am willing to hold it. I have always been willing to hold a dialogue under these terms. Then, my spirit, my intention, my conscience, my way of thinking, and my interpretation of what the people want is that they want to seek peace. In order to seek peace, it is necessary to seek a dialogue with the various sectors and the people.

It would, however, be useless to hold a dialogue if I destroy the possibility of dialogue by meeting with one sector and then announcing to the people: Look, we achieved nothing. Naturally, this weakens the dialogue as an instrument. I don't want to weaken this instrument, but strengthen it. Therefore, I expect the rebel sectors to understand how far the country would go or resist under the current circumstances. If there is a democratic procedure and a legal structure in the country, we must abide by that structure. Not respecting such a structure would mean breaking with it, putting an end to democracy, and ending the process to impose the formula that they propose; namely, to destroy all to establish the order of things they want. But neither the Constitution nor the law, the structures, the country, nor the people want or accept such an order. I interpret it thus. For this reason, I feel that despite my spirit and willingness to keep the doors of dialogue open, the rebel sectors must also understand and be willing to remain within the limits of the country's endurance.

[Moderator] Reporter Roldan Amaya, of Radio El Salvador, will now ask a question.

[Amaya] Mr President, what can you tell us about the change of government in the Philippines and Haiti, as well the struggle being waged in various Latin American countries in defense of democracy?

[Duarte] I feel that your question is pertinent now that two very important events have occurred in the world. One of them is Duvalier's leaving Haiti. This is the result of a people who, tired of dictatorship, decided to make an effort for their release. Again, the toppling of Marcos in the Philippines is the result of the people's will expressed at a given time. This is what happens when the people express their will, and there is a director who is not willing to accept the people's determination. Marcos' downfall is an example. If what occurred in Philippines had happened in El Salvador by mid-1978, I feel we would not be in the crisis that we are in today. This would have been so because the people's expressed will would have been fulfilled. At the time, a decision was based on the will of the far right and the imposition and power established by a military dictatorship. Marcos' leaving is based on the conscience of the people and the Philippine Armed Forces acceptance of the people's will. This also has happened in many other places, including El Salvador, where the people have shown a willingness to attain freedom and justice through democracy.

[Moderator] We invite journalist Roberto Block of LATIN REUTER.

[Block] Mr President, referring to the political space in the country, we are increasingly hearing government officials who talk about the need for the participation of a leftist party in the country's democratic process. It has also been said that the government is interested in comprising a leftist party so that it may participate. What is your comment regarding this?

Can you tell us if the government is adopting an active role in the creation of some parties or if it is helping -- or supporting -- a specific party? The second question refers to a visit you made over 1 and 1/2 years ago to Quezaltepeque, where you promised to abolish the death squads and enforce justice in seven or eight symbolic cases. You have already mentioned Monsignor Romero's case, but what is happening concerning the other cases? Few results have been publicized. What steps has the government taken to abolish the death squads which are still active -- although at a lower level? When can we expect results in this regard?

[Duarte] Referring to the first question, I think that my answer must be categorical so that there are no misinterpretations. The government cannot support a political party that depends on the government to grow and become strong. All Salvadorans have the right to organize a political party and strengthen their ideologies to present them to the people as an alternative. Consequently, the government cannot meddle in this or create fictitious forces that defend the government's platform or statements. Thus, the government does not and should not organize a political party.

In addition, the political parties that are already organized or are being organized should be given every facility so that they may function. This is part of the democratic process. Precisely today, a declaration was issued by a party -- what is its name?

[Unidentified speaker] Social Democratic Party.

[Duarte] The Social Democratic Party. It has issued a two-page statement concerning the country's problem. Of course, the government is interested in having more citizens organize to strengthen the country's democratic process. This is my categorical reply to the question.

The second question dealt with the specific cases we are trying to investigate [words indistinct]. We have tried to appoint this commission, which is already in existence or legally created. It is not only already investigating those cases, but also 34 other cases that have been included in the investigations. You will probably recall that it was precisely after my inauguration that several people were captured. Recently, they were tried and sentenced. I personally think that much remains to be investigaged in regard to the case of (Viera), (Hammer), and (Turner) and that there were masterminds involved in the case who should also be tried. However, this is a job for the judges and the prosecutors. This also requires an amendment to the laws because the two gentlemen who (?committed the crime) -- and were later complying with certain orders. Regretfully, however, even though they have confessed they cannot be used as witnesses against others and, therefore, this makes the testimony of suspects useless as testimony against others who may be put on trial. These are the errors we have in our laws, and these are the problems we must handle.

I think we must continue the investigations. We must continue the investigations to see if we can put the masterminds of crimes, which are already being publicly commented on and on which two or three people have testified but which the judges have regretfully declared unfounded, on trial. Therefore, we will continue our struggle in this regard.

Your third question dealt with the death squads. Regarding the death squads, you have realized that they are growing smaller and smaller and, as you said, have been losing (?importance). No doubt some actions have occurred, but if you pit the number of such actions against criminal actions anywhere in the world, you will see that we have reached very low levels in the death squad actions.

What happens is anytime a crime is committed in El Salvador, it is first claimed that it is part of a political crime, and then people speculate whether it was committed by the death squads or by someone other than the death squads. This serves as a yardstick for crimes committed in the country. However, if we separate the crimes committed by common criminals from those committed for some political reasons, we will see that they have truly and considerably decreased in number. This does not mean that they have ceased completely. However, we are making efforts to reduce them more and more every day, and to punish those guilty of crimes of this type. Therefore, whenever a case arises -- some cases are under investigation and we have added some cases to those in the hands of the [word indistinct] (?investigation) commission as I said -- it is sent to the commission for investigation.

It is because of this attitude and the desire to investigate that we have taken into account Monsignor Delgado's homily last Sunday -- during which he cited figures and cases -- that we sent him a letter asking him to please give us the [word indistinct] and data to enable us to make the respective investigations. Last Sunday Father Delgado corrected the homily and mentioned the efforts being made by the government and the security corps in their struggle against crime. Therefore, we are struggling. It is not easy, and we cannot attain our objective overnight, the same way we cannot solve the economic problem overnight, or the social problem overnight, or the military problem overnight. We cannot solve all of the country social evils overnight either.

Therefore, what I will ask from you, what I am asking the news media to do is to take into consideration the effort we are making and the process in which we are engaged to diminish these evils. Unfortunately, however, the news that is sent abroad and the news we are reading in dispatches sent abroad reflect a negative view of the efforts the government is making in this regard.

I believe that while it is true that you want a dialogue and that you want to express yourselves, you can also see the efforts we are making and that we have made throughout this process. From time to time we must say this, we must say that we are making efforts. I do not know if [passage indistinct].

[Moderator] Finally, Mr President, reporter Michael Allen of [name indistinct].

[Allen] Mr President, regarding Tenancingo you mentioned that the leftist guerrillas are breaking the pact with government troops because they are carrying out press conferences inside the town and they are armed, etcetera, etcetera. However, it is also true that last Sunday approximately 350 Belloso Battalion troops entered the town itself and initiated combat and, according to eyewitnesses, they murdered at least one unarmed civilian. Do you not believe this also breaks the pact and destroys the process in Tenancingo?

[Duarte] I can answer you by saying that first we must see what really happened in Tenancingo. What happened is that armed guerrillas entered the town; there was a confrontation both outside Tenancingo and inside. This is a fact that cannot be denied because it happened. This could have regrettable effects on the people.

My position is that the Army and the government must try to prevent these incidents. We must help the residents of Tenancingo as much as possible so that they can stabilize their settlement there. In this regard I have spoken to the chief of the General Staff and he has given instructions to the zone commander so greater efforts will be made to help settle the area residents. He has provided all types of facilities [6 second break in transmission] the auxiliary bishop put in an appearance, a delegation of nuns is living there permanently.

The delegation supporting the people in Tenancingo spoke with the chief of the General Staff, who gave them the necessary explanations and assured them that it is not Army policy to carry out this type of action and that the Armed Forces is always willing to help them.

Of course, in this regard the terrorist sectors must also understand -- and I told the Monsignor this -- he must [words indistinct] and that the terrorists must not use the people because if they do there will be a problem. One of the basic points is that they do not fulfill their promises and they use the people to enter [towns] at any time; they enter armed and hold press conferences. There are times when Msgr Rivera y Damas has been present after giving a sermon and he has publicly told them: Go away; you must not be here. However, they remain and hold press conferences. This is a reality that cannot be ignored because it exists. I believe our positions in this regard is quite clear, we support the Tenancingo (?population) process.

GUATEMALA

GOVERNMENT TO INVESTIGATE DISAPPEARANCE CASES

PA261938 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 26 Feb 86

[Text] The new Guatemalan civilian government will investigate what happened to hundreds of people who disappeared during the previous military government, but it will not prosecute officers for past political crimes, President Vinicio Cerezo said in an interview published in Washington today.

The Guatemalan Government plans to revive an amnesty offer for the leftist guerrillas, but it would be politically naive to send officers to prison and pardon the insurgents Cerezo said in an interview granted in Guatemala to THE WASHINGTON POST.

We cannot condemn those on one side of the struggle, imprisoning the army officers while pardoning the guerrillas, Cerezo said, adding that to do so would continue the confrontation.

Cerezo said that over the weekend he sent letters to members of the U.S. Congress asking them to increase economic aid to Guatemala to pay the high short-term debts left by the military government. The president asked for $130 million in donations and loans.

Cerezo said that his plan to create an impartial commission to investigate the disappearances is in answer to a request from the Mutual Support Group, an organization of relatives of people who disappeared in recent years during the struggle between the leftist guerrillas and the security forces. The group presented to him 959 cases of disappearances between 1980 and 1985 and the names of approximately 100 militarymen and soldiers whom it says are responsible for them. Cerezo said that the commission will investigate the fate of the missing people, particularly to determine whether some are still alive in secret prisons.

Even if he wanted to prosecute the Army officers, Cerezo said that he does not believe he has the legal instruments to do so. The previous government issued a decree in its last few days declaring amnesty for all those accused of political crimes during the two previous military governments. The Mutual Support Group and some legislators want the repeal of the decree, but Cerezo said that he believes it is too late to do so legally and that in any case it would be politically unwise to upset the Armed Forces.

CEREZO RULES OUT SINGLE EXCHANGE RATE FORMULA

PA252004 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 25 Feb 86

[Excerpt] President Vinicio Cerezo Arevalo said today that the government has ruled out the single exchange rate formula as one of the economic measures to face Guatemala's crisis.

Cerezo Arevalo rejected the possibility of establishing a single exchange rate between the quetzal and the dollar, a measure recommended by certain private sectors.

[Begin recording, in progress] ...press conference during the week to explain the various topics of interest discussed by the cabinet. The truth is that it was a work meeting. It was very hard and long. We worked for about 13 hours, and the main reason was to give the final touch to the country's economic recovery plan, which we will present in a few days.

I know that the point of interest of certain people in the private sector and the press is the exchange rate topic alone. However, to us, it is a topic that is part of the economic project. One cannot speak of the exchange rate topic without thinking of an economic recovery program, which is what Guatemalans are waiting for. If the government only spoke of financial problems without speaking, for example, of investing in access roads, of creating jobs, and of extending credits for medium and large farmers in order to reactivate production, then we would be falling in the trap previous governments fell into.

The truth is that the exchange rate topic is a trap in which we don't intend to fall. On the contrary, we are talking about economic recovery: more production for better prices, more production to create jobs, a greater state investment in access roads and services to create jobs, too, and more production to export more. Consequently, the idea of the economic cabinet is not to fall into the trap of discussing financial and exchange rate topics alone but to discuss an economic recovery program to give more jobs to workers. If we have to make certain national efforts, as we have said, let this be a national effort in which we all make some sacrifice. Those who have more have to sacrifice a bit more than those who have less. [end recording]

President Cerezo Arevalo said that the government will devote this year to stop the national economy's fall:

[Begin recording] [Cerezo Arevalo] I think that there are good prospects. I don't know why some try to paint a negative picture for Guatemala. I think it is more of a positive picture. If this year we have to make a certain degree of sacrifice, I would say that this year would be the year to stop the fall of Guatemela's economy. We must stop it because we were in a critical situation and next year will be the beginning of our recovery. Therefore, I would say that the outlook is optimistic, and for this reason we dared give some raises because we believe that we will have the possibility of improving Guatemala's economic conditions.

[Unidentified reporter] It was unofficially reported that a list of new products with maximum prices was made. Was this document signed?

[Cerezo Arevalo] This was one of the topics. This is an aid that is being contemplated within an overall project. What we did was draft a new list of maximum prices, but adjusted it to present circumstances. The new list eliminates certain prices, but others are established. This was done out of concern, basically, that the food basket prices will not continue to increase. However, this is a partial effort. When we implement the economic recovery plan, after a few months we will review some of the prices established for products that are being exchanged now at the rate of 3 quetzals for $1.

If we begin a recovery process, it is possible that we may have to review the prices at a lower number of quetzals per dollar. This would or must imply a drop in prices for the people's benefit unless merchants don't want to work in common agreement with the government in order to help Guatemalans. [end recording]

CEREZO REPORTEDLY ASKS EXILES TO DELAY RETURN

PA242012 Guatemala City EL GRAFICO in Spanish 22 Feb 86 p 5

[Text] President Vinicio Cerezo has reportedly asked Guatemalans in exile in several countries not to return to their homes until the country has achieved a degree of legality and respect for human rights.

During his visit to Costa Rica prior to his inauguration, Cerezo met with representatives of the exiles and asked them to give him time to control the groups that promote violence so that he could offer them guarantees that allow them to rejoin the country's productive life.

Alfonso Cabrera Hidalgo, president of the legislature, updated this report yesterday when he gave his opinion about remarks made abroad by Guatemalans who feel that human rights violations continue in our country, which have become evident because of several macabre murders that occurred after Cerezo's inauguration.

"After 30 years of constant violations of the law, repression, and dictatorship, it is not easy to change things just overnight. But we have begun to work on that and we are determined to get good results so that we can live in a de jure system soon," Cabrera Hidalgo said.

This shows that although the country's doors are theoretically open to anyone who wants to return, there won't be too many who will, out of fear that groups foreign to the government will harm them just as occurred in the past, on various occasions when exiles -- especially politicians who opposed the regimes that were in office -- were invited to come back.

HONDURAS

GENERAL REGALADO ANNOUNCES MILITARY APPOINTMENTS

PA260255 Paris AFP in Spanish 2141 GMT 25 Feb 86

[Text] Tegucigalpa, 25 Feb (AFP) -- As part of a continuing process to fully restructure the military institution, Colonel Wilfredo Sanchez, chief of staff of the Honduran Army, today became commander general of the Public Security Forces, replacing Colonel Diego Landa.

Armed Forces Chief General Humberto Regalado also announced that Colonel Edgardo Mejia will be installed today as new commander of the Honduran Air Force (FAH), replacing Colonel Francisco Zepeda.

Next Saturday, Colonel Ronny Martinez, director of operations and training of the Joint General Staff, will be installed as commander of the Navy; the post was occupied by General Regalado until 21 February, when he became chief of the Armed Forces.

Colonel Sanchez participated in Contadora Group negotiations in the capacity of advisor on security matters. He said that the peace document "is an instrument that can turn our desires for peace, harmony, liberty, democracy, and justice" into reality and can "guarantee harmonious coexistence among different countries and the validity and strength of democratic systems."

Colonel Efrain Gonzalez, chief of the joint general staff, was replaced by former Defense Minister Colonel Amilcar Castillo on 21 February. General Regalado today said that the changes are "routine changes; I am trying to implement my own policy in my command."

According to analysts, the officers replaced are linked to former military chief General Walter Lopez, who resigned unexpectedly on 1 February.

General Regalado said that his predecessor apparently "has plans to request a discharge and if that is his wish, we will grant it to him."

At the time that General Lopez announced his resignation, as well as in later statements, he said that according to Armed Forces laws, he would become adviser to the commander.

However, to date the Armed Forces have not announced that he has been appointed to that post, pointing out only that he is still an active officer.

Meanwhile, Colonel Gonzalez will be the military attache to El Salvador, and Colonel Landa will be Honduras' new representative before the Inter-American Defense Board.

JOINT MILITARY EXERCISE WITH U.S. BEGINS

PA261936 San Pedro Sula LA PRENSA in Spanish 26 Feb 86 p 48

[Text] The U.S. and Honduran armies are jointly carrying out "Operation Lempira." These exercises are preparing both armies in the struggle against the subversion that might arise at any moment in Honduras and that is promoted by the communist countries.

Colonel Carlos Reyes Barahona, commander of the 4th Infantry Battalion, told the local news media: "The purpose of 'Operation Lempira' is to carry out joint training of U.S. and Honduran personnel." He added: "This training program entails civilian-military actions for our troops."

Reyes Barahona later explained that the civilian-military operations are being carried out in Salitran, Roma, Coloradito, and La Ceibita, and will later include San Juan Pueblo and other communities in that department.

The strictly military action will take place in La Ceiba and Balfate and will include target shooting, air operations, coastal operations, and civilian crisis training. These exercises are supported by the Bravo Task Force from Palmerola, Comayagua.

The civilian-military action is to enable the military personnel to become familiar with the civilian population and to counter the defamation campaign of the leftists, who avail themselves of the poverty of the peasants in order to fill them with hatred from the army and government.

These actions include health activities, as the civilians are being given medical treatment, medicine, and preventive medicine. The animals (dogs, cats, and horses) are also being treated for infectious diseases such as rabies, and all of this is being given free of charge.

The training programs are taking place in several Honduran towns, but the operation's center is in La Ceiba, because of its geographic location.

There are fewer than 130 U.S. troops throughout the country. In La Ceiba, there are 40, and they will only remain there for 1 month.

We repeat, this is an antisubversive operation. They are preparing to struggle, in the event they should have to fight subversives. The Honduran Army planned this a year ago.

Col Reyes Barahona said that there are persons in the area interested in provoking internal problems. "Isleatas and Bajo Aguan cooperatives are some of the sectors these persons are interested in controlling," he added. "They have very complex networks in Olanchito and the surrounding area."

Answering a question, he said: There is activity in the area, particularly at night when there is less surveillance. He did not say if there was any arms trafficking along the Tela-La Ceiba highway.

The training is done with small group of soldiers, as this makes fast mobilization, silent mobilization, and direct blows against the enemy easier. Each training group has fewer than 40 troops.

EDITORIAL VIEWS U.S. REPORT ON HUMAN RIGHTS

PA261726 San Pedro Sula TIEMPO in Spanish 25 Feb 86 p 6

[Editorial: "A More Truthful Report on Human Rights"]

[Excerpts] Excerpts of the U.S. State Department report on the human rights situation in Honduras during 1985 have been published. Skillfully drafted, the report is much less unreal than those that were issued in previous years, which portrayed our country as a happy arcadia whose inhabitants enjoyed the greatest respect and all individual guarantees.

The essential aspect of this report is the emphasis on the administration of justice that "is irregular, slow, and frequently subjected to improper influences." It reports the implementation of "a national program to improve influences." It reports the implementation of "a national program to improve the administration of justice and to strengthen the judicial system."

Some of the statements about situations that took place in the recent past draw attention. For example, it states: "Unlike previous years, there were no accusations of political deaths in Honduras in 1985. The Armed Forces published a preliminary study on disappearances reported up to the beginning of 1984. It indicated that some of those missing people could have died at the hands of Nicaraguans exiled in Honduras. The allegation was not repeated in the incomplete final report published on 17 October 1985."

One can see that there is an effort to stress the nonparticipation of the "contras" in some of the disappearances of Hondurans. This nonparticipation does not seem to be true.

On the contrary, the idea about that connection, "especially during the time of General Alvarez Martinez," seems to be gaining strength, and recent publications in the U.S. press have referred to these facts, including some participation of the CIA in this field.

Thank heaven that with regard to that famous investigation on missing people and the repugnant report issued to the nation by the Armed Forces, the State Department report states that they were "strongly criticized by human rights spokesmen," and it even stated that "on 12 December, a case in the criminal court against six individuals accused of participating in the disappearances was rejected."

It is the first time in a long time that the U.S. State Department admits that there is an irregular situation in Honduras where "there is physical and mental mistreatment of prisoners."

"The courts are subject to political influence. The reorganization of the Supreme Court of Justice in June 1985 after the attempt by Congress to accuse several judges had led to a less politicized court which has become more sensitive to the writs of habeas corpus and shown greater willingness to consider charges about bad judicial administration."

We thus see that there is an interest in a better administration of justice in Honduras by pointing out its most evident flaws. This contrasts with the attitude of tolerance and acquiescence of the recent past.

However, we do not think that the politicization of the Supreme Court of Justice has decreased. On the contrary, it is now in its peak thanks to the Arzona-Callejas pact that left the judicial branch in the hands of the blue party [the Honduran National Party] with a system of distribution of judgeships that is definitely sectarian.

PEASANTS AFFECTED BY 'TOXIC YELLOWISH RAIN'

PA241849 Panama City ACAN in Spanish 1710 GMT 24 Feb 86

[By Armando Cerrato]

[Text] San Pedro Sula (Honduras), 24 Feb (ACAN-EFE) -- The residents of a large sector in the vicinity of Villanueva, in the northern part of Honduras, continue to be affected by a toxic yellowish rain dropped by unidentified planes.

Scores of people with skin sores, breathing difficulties, and other health problems are arriving at state and military first-aid posts in San Pedro Sula, 60 km north of Villanueva.

The people affected have recounted what several peasants reported several weeks ago: "hearing several planes flying at night, we went out to our yards and something yellow covered our bodies, which later has caused all these problems to our health."

Lazaro Gutierrez, the peasant who first revealed the sores on his body and other ailments caused by the strange rain, when asked again by reporters yesterday, said: "I do not want to say anything because I have already been threatened with death at my home."

However, the peasant refused to offer further details of the people who threatened him at home, near Villanueva, or whether they were soldiers or civilians.

A theory born between groups of the Honduran left noted that the United States is carrying out tests on the effects of the yellow rain used in Vietnam.

However, the U.S. Embassy in Tegucigalpa denied that the troops quartered in Honduras or any other branch of its Army "are testing chemical weapons in Honduran territory, least of all against the civilian population."

The Honduran Army has said nothing in that respect, nor has it named any investigating committee, despite having knowledge of the mysterious flight of unidentified planes at night. The Honduran Air Force is informed about all flights through a couple of U.S. radars that cover the national territory, and which have given warning about intruding flights in the past.

Last weekend, the Soviet news agency TASS accused the U.S. Army of making chemical weapons tests in Honduras. These charges have not been commented on by the Pentagon, the U.S. Embassy in Tegucigalpa, or the Honduran Government.

So far, the residents of the communities of Villanueva, El Cerron, Agua Colorada, El Venado, and Concepcion del Norte have been affected.

Generally, the yellow rain is observed in jungle areas, according to reports given to the Honduran authorities by the affected peasants. Since the entire region of Villanueva is dedicated to the production of sugarcane, at first it was believed that farmers were using some new very toxic type of pesticide, insecticide, or herbicide, but that is not the case.

NICARAGUA

ORTEGA ON BORDER MEETING WITH COSTA RICA

PA251902 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 25 Feb 86

[Text] A permanent inspection and oversight commission was created in Managua during a meeting of the Nicaraguan and Costa Rican deputy foreign ministers. It is expected to contribute to the maintenance of effective peace and tranquillity on the border that the two countries share. The agreement of the Costa Rican-Nicaraguan mixed commission received the support of the Contadora Group foreign ministers, who also attended the meeting.

[Begin recording] [Unidentified reporter] The Costa Rican-Nicaraguan prevention and supervision commission was reactivated today. The commission worked throughout the day. It was presided over by Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco and Costa Rican Deputy Foreign Minister Gerardo Trejos. At the end of the meeting, the Coast Rican Government representative reported on the agreement.

[Trejos] We agreed on the generalities for the creation of a permanent inspection and oversight commission on the common border that will contribute -- these are the wishes of the presidents of Nicaragua and Costa Rica -- to the effective maintenance of peace and tranquillity in the common border area. It will be a civilian commission with the support, naturally, of specialists in security matters.

[Reporter] After the meeting, President Daniel Ortega met with the Costa Rican delegation and the deputy foreign ministers of the Contadora Group.

[Ortega] We believe that meetings like this one show that it is possible to achieve peace. They must make the U.S. Government think. We believe the U.S. Government should seriously consider that, must understand that making peace with Nicaragua is not a defeat. It is a victory. War is a defeat for all. [Words indistinct] a war would be a defeat for everyone. We are satisfied with Contadora's effort, with its participation today [words indistinct] Costa Rica and Nicaragua [words indistinct] Costa Rica's position is mature, has a spirit of Central American unity, and favors peace. We will continue to support the Contadora Group's effort and that of the support group, as well as the Caraballeda document which [words indistinct] very important so that we can advance. [end recording]

Ministers Depart After Meeting

PA252240 Managua Radio Sandino in Spanish 1930 GMT 25 Feb 86

[Text] The Contadora Group deputy foreign ministers and the Costa Rican deputy foreign minister left today after agreeing to organize a border patrol for the Nicaraguan-Costa Rican border.

The Contadora Group deputy foreign ministers, Ricardo Valero of Mexico; Jose Maria Cabrera of Panama; Guillermo Fernandez de Soto of Colombia; German Nava Carrillo of Venezuela; and Gerardo Trejos of Costa Rica, left Managua this morning. As they were leaving, Gerardo Trejos told reporters at the Augusto Cesar Sandino Airport that the meeting with his Contadora and Nicaraguan colleagues was an important and positive step on behalf of pacification in the area.

The Contadora deputy foreign ministers met with Victor Hugo Tinoco, Nicaraguan deputy foreign minister, and Gerardo Trejos to discuss the establishment of a patrol zone along the border.

On 13 February, Costa Rican President Luis Alberto Monge suggested the establishment of such a zone to Nicaraguan President Daniel Ortega.

During a meeting which lasted 8 hours, the representatives of Contadora, Nicaragua, and Costa Rica agreed on the principles of the structure, objective, organization,and financing of the border patrol commission.

EEC President Lauds Agreement

PA261327 Managua Radio Sandino in Spanish 0000 GMT 26 Feb 86

[Text] Ruud Lubbers, prime minister of the Netherlands, has sent a letter, as president of the EEC, congratulating Nicaragua and Costa Rica on their agreement to normalize their diplomatic relations. A Nicaraguan Foreign Ministry spokesman reported that in his letter, Prime Minister Lubbers cites both governments for having satisfactorily accepted the exchange of letters of 12 February 1986 regarding their problem and for agreeing to establish the foundations for constructive relations based on peaceful coexistence and mutual respect.

The EEC is giving its full support to this goodwill effort, which is a positive contribution to ease the tensions in the region and to the Contadora Group peace efforts, Lubbers wrote.

CULTURE, EDUCATION PROTOCOL SIGNED WITH CUBA

PA251517 Managua Domestic Service in Spanish 1200 GMT 25 Feb 86

[Text] Nicaragua and Cuba signed a cultural and educational cooperation protocol for 1986 in Havana yesterday. This protocol covers the areas of science, culture, education, university education, sports, radio, and television, as well as a bilateral exchange between intellectual and artistic groups.

The document was signed by the deputy foreign ministers of Nicaragua and Cuba, Jose Leon Talavera and Ricardo Alarcon. The Cuban deputy minister warned that Nicaragua is a victim of the U.S. hostile policy and recalled that the Reagan administration intends to deliver more funds to the counterrevolutionaries.

AMBASSADOR TO MEXICO ON PEACE, NONINTERVENTION

PA261859 Managua Radio Sandino in Spanish 1750 GMT 26 Feb 86

[Text] While defeating the counterrevolutionary aggression and displaying its capabilities for resisting and defeating a future direct U.S. intervention, Nicaragua is defending and strengthening the principle of nonintervention under the protection of the Contadora Group's negotiating process. This was said by Nicaraguan Ambassador to Mexico Edmundo Jarquin during a lecture on peace and nonintervention in Central America that he delivered at the Puebla Autonomous University, which has voiced its solidarity with the Sandinist people's revolution.

By claiming that peace will be the result of its policy of growing interventionism in Central America, the U.S. Administration is challenging the logic of history and law that we have built, through enslavement, interventions, and aggressions of all types, Jarquin added. History shows that the U.S. interventionist policy does not lead to peace but to war, and that policy is doomed to failure, Jarquin said, insisting that the United States can unleash all of its military power against Nicaragua, but this does not have the slightest possibility of establishing a stable and firm government as an alternative to Sandinism. Anyone believing otherwise is terribly mistaken, he added.

PCDN DECLARES SPANISH ENVOY 'PERSONA NON GRATA'

PA261418 Managua Domestic Service in Spanish 0300 GMT 26 Feb 86

[Text] According to a letter sent by the Democratic Conservative Party of Nicaragua [PCDN] to Foreign Minister Miguel D'Escoto, this political organization has declared Luis Cuervo Fabrega, the Spanish ambassador to our country, persona non grata. In the note, the PCDN members indicated that Ambassador Cuervo Fabrega has meddled openly in the internal affairs of this party, thus violating the international principle of nonintervention. The PCDN note was delivered at noon today, and Rafael Cordova Rivas, the PCDN national coordinator, made it public through the media.

PASTORA TOURING CALIFORNIA TO OBTAIN AID

PA261541 Madrid EFE in Spanish 1201 GMT 26 Feb 86

[By Jesus Hernandez Cuellar]

[Text] Los Angeles (California), 25 Feb (EFE) -- Nicaraguan insurgent leader Eden Pastora (Commander Cero) said today that he is not interested in becoming the president of Nicaragua "when the Managua regime is defeated."

At a press conference, Pastora stressed the importance that U.S. aid would have for his 5,000 troops who are fighting within the ranks of the Democratic Revolutionary Alliance in southern Nicaragua.

The legendary guerrilla, who still considers himself a Sandinist, noted that "if Managua falls, the leadership of the new government must be assumed by someone who is capable of uniting all the rebel forces."

Before a group of reporters of English and Spanish media, Pastora described possible U.S. aid for his guerrillas as "important, but not decisive." "What is decisive," he emphasized, "is the Nicaraguan people's willingness to fight."

He noted that, although the United States has given some aid to the Nicaraguan Democratic Force (FDN) insurgents, his troops have not received "a single rifle, uniform, or helmet." He also stressed to EFE that his stand in regard to former Somozist guardsmen, who are believed to hold important positions in the FDN leadership, "is not radical." "People don't know that there are former Somozist guardsmen among my troops, and one of my representatives in Miami was a general," he continued. "The important thing," he added, "is the capacity to amend mistakes; if they (the former guardsmen) did this, they would no longer be Somozists."

Pastora recalled that after deserting the Sandinist ranks, he made a self-criticism at a news conference in San Jose, Costa Rica, through which he broke his links "politically and morally" with the Managua regime.

Commander Zero is making a tour of California to obtain aid from the U.S. Government, private citizens, and the Nicaraguan colony in order to strengthen his ear against the Nicaraguan Government. This is the third visit he has made to southern California in the past 3 months with the same objective.

2 CONTRA CHIEFTAINS PRESENTED, TO BE TRIED

PA261415 Managua Radio Sandino in Spanish 1930 GMT 25 Feb 86

[Report by Denis Ruiz, correspondent in Juigalpa]

[Excerpts] The Interior Ministry and the revolutionary government yesterday presented to the people of Nueva Guinea counterrevolutionary chieftains Byron Joel Granja Martinez, alias El Almirante and Agustin Sereno Palacios, alias Venganza. They were captured while involved in military actions in the Nueva Guinea area. El Almirante, who was a platoon leader, and Venganza, who was a squad leader, were presented to the people yesterday at a people's event to return 230 peasants who had quit the counterrevolution to their relatives.

El Almirante confessed his actions and said that he had participated in the sinking of the Bluefields Express, the murder of seven peasants of the area in ambushes, and the torture of kidnapped civilians.

Venganza, who is 17 years old, said that he had participated in five clashes, three ambushes of civilian vehicles, and thefts. In addition, he confessed to slitting the throats of four humble peasants in Cano Blanco, Montes Verdes, Paises Bajos, and Las Cuestas. These murderers of the people will be taken to the anti-Somozist People's Courts to be tried for the crimes they have committed against the peasants.

LAWYER CRITICIZES FSLN DRAFT CONSTITUTION

PA261324 Managua LA PRENSA in Spanish 24 Feb 86 pp 1, 6

[Excerpts] Lawyer J. Ramon Garcia Vilchez has commented on the draft constitution presented by the FSLN. "The draft provisions make it difficult for a Nicaraguan citizen to file unconstitutionality appeals, because it would be necessary to get 30,000 signatures and have them authenticated by a notary public before one can appear at the Supreme Court of Justice to demand respect for rights violated by a law that opposes and contradicts the constitution.

"Conversely, and without too much difficulty, the president of the republic and the president of the Supreme Electoral Council can take advantage of the resource. In the National Assembly, only the FSLN has the requisite number of deputies (49) to file an unconstitutionality appeal. The other parties, as such, cannot use this right or file an appeal because they do not have the necessary number of deputies in the assembly.

"We believe any citizen should be able to file an unconstitutionality appeal, because they are entitled to it and it is their defense when confronted by the authorities.

"The draft also says that the constitution can be partially amended only by an initiative of the president of the republic, by 40 National Assembly representatives (deputies), or 40,000 signatures properly authenticated. No provisions have been made as to principles, such as the revolutions's popular nature, democracy, national defense, anti-imperialism, anti-interventionism, nonalignment, and Latin Americanism.

"Here again we see that the FSLN becomes the only party that can partially amend the constitution, since it is the only one that has 40 representatives at the National Assembly. In addition, the president is one of the members of the FSLN National Directorate. Yet, for any one citizen to be able to request an amendment to the constitution, he must have 40,000 authenticated signatures.

"Also, the principles for which amendments are not provided are those to be raised to the status of dogna in the first chapter of the draft when they form part of the constitution. The political system or regim can be changed at any time and for whatever cause by the ruling party. This means that the FSLN at present can accept a simulated presidential regime, yet it can partially amend the constitution the moment this is convenient for the party and shift to a popular democracy regime or any totalitarian regime, according to its interests.

"The constitutions of democratic countries precisely forbid constitutional amendments to change the democratic regime."

SOCIAL SECURITY DIRECTOR ON PEACE EFFORTS

PA260426 Managua Radio Sandino in Spanish 1930 GMT 25 Feb 86

[Text] The meeting held by the Nicaraguan-Costa Rican Commission, which was appointed to prevent border incidents, is definitely a big step forward in the search for peace in Central America, said Reinaldo Antonio Tefel, minister director of the Social Security and Welfare Institute.

[Begin recording] [Tefel] It is becoming more obvious each day that the policies and interests of the U.S. Government are very different from those advocated by the Latin American countries. While the Latin American countries support the Contadora Group, the Support Group, and the Caraballeda message in a demonstration of their Latin Americanist spirit, inspired by Simon Bolivar and our forefathers, the U.S. Government keeps promoting its interventionist policy: a constant threat of direct military intervention and an unjust, immoral, and terrorist war against the Nicaraguan people.

The Latin American countries are not to blame for the fact that Contadora has failed to obtain a definite peace for Central America. The U.S. Government has put too many obstacles in the path of restoring peace in the region.

The meeting that was held in Nicaragua by the deputy foreign ministers of Contadora, Nicaragua, and Costa Rica is an important and positive step on behalf of peace for Central America. I believe the peoples and Governments of Nicaragua and Costa Rica have taken a big step forward by agreeing to appoint a mixed commission which will seek every possible way to make the Nicaraguan-Costa Rican border a peaceful transit zone and prevent the concentration of counterrevolutionaries in that sector. I repeat: I consider this meeting a big step forward in the search for peace in Central America. Unfortunately, the Costa Rican Government is under tremendous pressure from the U.S. Government. However, we hope that the people and Government of Costa Rica will stand up for their sovereignty and Latin American peoples' interests, especially those of Central America.

[Unidentified reporter] Can you give us your opinion of Nicaragua's political situation, especially because this afternoon the Special Constitutional Commission will approve open discussions of the constitutional draft in town halls?

[Tefel] The next step is the institutionalization of the revolutionary process in a true democratic way and with the people's participation. The town hall meetings are just part of the process in which we are proving that we are establishing a real democracy with the people's effective participation. For the first time in the history of Latin America, the people are going to have direct participation in the drafting of their constitution. They will discuss a draft which still must be perfected and which later will be submitted by the Special Constitutional Commission to a plenary session of the National Assembly for its final approval. To me, this is truly Nicaraguan and Sandinist democracy. [end recording]

BRIEFS

PORT ENLARGEMENT AID -- The port of San Juan del Sur will be enlarged through a line of credit from the Netherlands and Belgium. The project will cost 100 million cordobas and will be carried out by the National Port Enterprise. It includes the construction of a warehouse to house customs offices and for storage and the improvement of maintenance workshops. With this project, stevedores will be able to load and unload 100,000 metric tons of various products. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 28 Jan 86 PA]

CASTRO ADDRESSES 27TH SOVIET PARTY CONGRESS

FL261536 Havana Tele-Rebelde Network in Spanish 1212 GMT 26 Feb 86

[Speech by President Fidel Castro to the 27th CPSU Congress at Moscow's Palace of Congresses, date not given -- recorded]

[Text] Dear Comrade Mikhail Gorbachev, dear delegates, distinguished guests. I will complete the first obligation of a guest, which is to be as brief as possible. [applause] An aspiration for renewal and a strong injection of the Leninist spirit, optimism, enthusiasm, and hope are in the air of this 27th congress.

Those of us who have traveled a great distance know that this is not just another congress, but a historic congress. The entire, profoundly critical process of preparing for this congress, its rigorous analysis, and Gorbachev's brilliant and valiant main report teach us that, beyond the colossal political, economic, social, and scientific successes, the immense glories of defending the fatherland, and the Soviet people's historic deeds and militant communist vanguard, nothing will ever be able to satisfy your unquenchable thirst for new advances in the road opened by the Great October Revolution. [applause]

This is in response not only to the needs of the human spirit, but also to the objective realities of history. It is not for us, the guests, to pass judgements, evaluating what this heroic and admirable country has done, or to make suggestions as to what can or should be done. We can only express once again our unlimited confidence, profound admiration, and solid conviction that whatever the difficulties, whatever the challenges encountered on the road to constructing communism, which has never before been traveled by man, this people and this party will know how to conquer these obstacles. [applause]

Perhaps the greatest of these today is the threat to peace, the danger of a war that could end the human race and its most noble dreams. Man's history has recorded many irresponsible acts that have created catastrophic wars, but this the first time in man's history that it is possible man may not survive the consequences. Irresponsible policies stem from a blind and obsessed imperialism, which is more dangerous than anything that has previously existed, precisely because it is ignoring or trying to ignore these realities.

We live during a time that truly requires nerves of steel, crystal-clear policies, and the firmness of granite. The nerves of this heroic people are like this. They have been surrounded by threatening, aggressive nuclear military bases for dozens of years. Their peace policy has also been like this. If this was proven in Lenin's day, when weapons of mass extermination did not even exist, who can deny that the fundamanetal hopes for the survival of the human race are based today on the USSR, with its nerves of steel, firm power, clear and firm peace policy, and its radical and categorical proposal to end the arms race, prohibit weapons in space, and eliminate forever all nuclear weapons. [applause]

After Comrade Gorbachev's statements, in the name of the Soviet people and party, before Geneva, in Geneva, and after Geneva, no one will have any doubts that socialism wants peace, that socialism is peace. [applause]

The second challenge, no less stimulating and also of enormous importance is the development of the economy that we have sustained and elevated under the consequent immediate application of scientific and technical advances, which shows us the road to peaceful emulation between socialism and capitalism as the only road to solving the historic contradiction between the two social systems.

Upon these solid premises are based the great, just hopes of progress and continued improvement of our political and social system, infinitely more rational and a thousand times more humane than capitalism. [applause] These ideas, upon which the glorious party of the Soviet Union places enormous emphasis, constitute today a banner for the struggle of the entire socialist community and will, without doubt, count on the maximum support of all the progressive forces of the world. [applause]

Perhaps imperialism thinks that by changing the world's peace policy, which the socialist countries and all the peoples of the world have pledged to support and which calls for objectivity from the developed industrialized states, they could possess the ability to control the destiny of developing nations in Latin America, Africa, and Asia.

In those regions of the world where imperialism wants to initiate local wars or minor conflicts, as they can be cynically called because of their cowardly and opportunistic creation, the peoples will be responsible for never allowing this to happen. [applause]

Our liberation is not a debt to be paid in response to a favor or permission from the empire. It is a result of our struggles to conquer or maintain our liberty; it is the fruit of the blood and lives of many of the best sons of our peoples, and they will never be able to take away that heritage.

Vietnam is an example of the price the empire payed for so-called low-level conflicts waged against patriotic and progressive forces by the CIA and the United States Government. The peoples of Nicaragua, El Salvador, Angola, Namibia, South Africa, Western Sahara, Palestine, Afghanistan, and Kampuchea are also examples.

There is something more powerful than nuclear arms, and that is the peoples' love of freedom. The third challenge for all progressive forces is hunger, poverty, unemployment, a disappointing and sedentary backwardness, and underdevelopment of the so-called Third World nations. Upon them has fallen the brutal weight of the capitalist economic crisis. Their foreign debt, amounting to almost $1 quadrillion, is absolutely unpayable and uncollectible. Their situation now is desperate, morally and physically unbearable. The cancellation of that unjust, absurd, and unpayable debt and an end to unequal trade, dumping [previous word in English], protectionism, and the looting of natural and human resources are the unanimous demands of those nations which make up the vast majority of the earth's population. They demand a response from capitalist countries, or they will impose their own solutions.

The drastic drop of oil prices in recent weeks as a result of imperialist manipulations has led a large number of debtor countries of the underdeveloped world to the brink of a catastrophe, already being endured by an immense majority. An end to the payments or serious social upheavals in many countries will be the inevitiable consequences of this situation in the very near future. The Third World countries expect and are sure they will receive from the socialist community maximum solidarity in their struggle for just economic gains. [applause]

Dear Soviet friends, comrade delegates, Comrade Mikhail Sergeyevich Gorbachev: Allow me to convey on behalf of Cuba our most fraternal and warmest greetings on the occasion of this historic 27th congress. [applause] Upon you we place our hopes of communists, revolutionaries, and a nation which is a part of the socialist community and also of the Third World. Upon the great Lenin's motherland, upon the Soviet people, upon their glorious party, upon its leadership, upon you, Comrade Gorbachev, [applause] upon your fresh ideas, upon your dynamic style, upon your tireless struggle for peace, for Leninist principles, and for communism, we [place our hopes] and trust [applause] and fully support you. [applause]

Long live socialism! Long live internationalism! Long live peace! Thank you very much. [prolonged applause]

FOREIGN MINISTRY CONDEMNS U.S. SUPPORT FOR CONTRAS

FL261320 Havana Radio Progreso Network in Spanish 1200 GMT 26 Feb 86

[Text] The Cuban Foreign Ministry has issued a declaration condemning the support being given by the present North American administration to the Nicaraguan counter-revolution. The document urges the mobilization of international public opinion in an effort to stop immediately behavior which, in addition to sowing death and destruction in Nicaragua, is aimed at worsening the Central American situation and hindering all ongoing negotiating processes in the area.

NONALIGNED COUNTRIES' HEALTH EXPERTS MEET

FL251242 Havana Radio Progreso Network in Spanish 1200 GMT 25 Feb 86

[Text] The serious economic situation that is severely affecting the underdeveloped world, particularly in the area of health, was analyzed by Public Health Minister Julio Tejas in Havana. Upon inaugurating the third meeting of public health experts from the Nonaligned Countries Movement, the minister called for rigorously confronting that situation.

NICARAGUA SIGNS CULTURAL RELATIONS PROTOCOL

FL252310 Havana Radio Periodico del Aire 1700 GMT 25 Feb 86

[Text] The cultural and educational cooperation protocol between Cuba and Nicaragua that will govern relations this year between the two countries in science, higher education, education, culture, cinematography, creative artists' unions, radio and television, and sports has been signed at the Cuban Ministry of Foreign Relations. The protocol was signed by Ricardo Alarcon, vice minister of foreign relations of the Republic of Cuba, and Jose Leon Talavera, vice foreign minister of the Republic of Nicaragua.

MINISTER INAUGURATES SCHOOL IN MEXICO

FL220026 Havana Radio Rebelde Network in Spanish 0000 GMT 22 Feb 86

[Text] Cuban Construction Minister Raul Cabrera Nunez has arrived in Mexico City to inaugurate the first school constructed with Cuban assistance as a result of the damages by the September earthquakes. The resources sused to construct the building were part of the $2.5 million donated by Cuba for reconstructing Mexican schools damaged by the earthquake.

The school will be inaugurated tomorrow by the Cuban minister and Mexican Education Secretary Miguel Gonzalez Avelar.

CEREMONY COMMEMORATES SDAR 12TH ANNIVERSARY

FL251954 Havana Television Service in Spanish 1800 GMT 25 Feb 86

[Text] A ceremony commemorating the 12th anniversary of the Saharan Democratic Arab Republic, SDAR, has been held at the headquarters of the Cuban Institute of Friendship with the Peoples, ICAP, in Havana.

(Salem Sid Rahim), SDAR ambassador to Cuba, said the Moroccan regime is not only confronting the Saharan people, but also the international community, which is proposing a peaceful solution in agreement with the SDAR's right to liberty. Present at the ceremony were Central Committee members Isidoro Malmierca, Cuban foreign minister, and Rene Rodriguez Cruz, ICAP president, as well as other political leaders and representatives of the diplomatic corps for the liberation of Africa, Asia, and Latin America.

PORTUGUESE COMMUNIST ADDRESS TO PCC CONGRESS

PM271003 Lisbon AVANTE! in Portuguese 20 Feb 86 (EM FOCO supplement) p 2

[Speech by PCP Political Commission and Secretariat member Blanqui Teixeira at Third Communist Party of Cuba Congress in Havana -- date not given]

[Text] Dear Comrades: On behalf of the PCP Central Committee, we wish to extend warm fraternal greetings to the Third Communist Party of Cuba (PCC) Congress and, through it, the Communists, workers and Cuban people, who have performed a magnificent task of development and progress, which is considerable encouragement and a source of inspiration for all peoples.

The Cuban revolution has played and still plays a role of exceptional importance which is especially highlighted by its particular geographical position, the power of its example for all the nations of Latin America, and the internationalist stance it consistently upholds.

Your successes in the economic, social, and cultural fields are living proof of socialism's advantages and superiority for the satisfaction of the masses' desires and for the consolidation of democracy, independence, and peace.

The proceedings of your third congress are further proof that the path followed since the historic date of 1 January 1959 will continue. It will continue through the intensification of building socialism; it will continue through a more vigorous mobilization of the whole people for greater efficiency in production and in defense; it will continue through taking new steps in Cuba's economic and social development.

Dear Comrades: The international situation has dangerously deteriorated. The militarist policy of imperialism -- primarily U.S. imperialism, which has done its utmost to undermine and destroy your revolution -- is a very worrying threat to world peace.

In the meantime, the peoples' struggle for freedom, for the improvement of their lives, and for peace is intensifying. As a result of that struggle, major changes have taken place in many countries, and important steps have been taken for the preservation of peace.

The policy of peace and development conducted by the Soviet Union and the whole socialist camp has played a decisive role in this respect.

Following the historic Geneva summit, the Soviet Union's recent initiative aimed at the elimination of nuclear weapons by the year 2000 meets the aspirations that unite the whole of mankind.

On the other hand, the struggle for peace and social progress is closely linked to the peoples' liberation from the hunger, poverty, and exploitation which imperialism imposes on many developing countries. The struggle for the establishment of more just international economic relations which would lead to more favorable development of those countries and not obstruct that development and bring increasing and stifling indebtedness to a struggle which should unite the democratic and peaceful forces of the whole world. For the clarification of these issues and for the corresponding action, you Cuban Communists have played an outstanding role which is important to highlight and acclaim.

Dear comrades: In Portugal, throughout last year, the workers' and democrats' struggle achieved important successes for the defense of the gains of the 25 April revolution.

The 6 October legislative elections brought about a favorable change in the makeup of the Assembly of the Republic, and the current government is a government with a precarious and uncertain relative majority. In last December's local elections the United People Alliance, of which the PCP is a main force, confirmed its considerable hold and prestige.

However, the first results of the 26 January presidential election created a very dangerous situation for Portuguese democracy. Of the four candidates running in the election, the two right-wing candidates -- Socialist Party Secretary General Mario Soares and Freitas do Amaral, former chairman of the social Democratic Center Party (an extreme right-wing party) -- went through to the second round.

In order to define the PCP's stance in the second round of the presidential elections, the Central Committee decided to convene the 11th (special) congress, which was held last Sunday. According to the reports now received in Cuba, the congress decided to commit the whole party and all its influence to the defeat of Freitas do Amaral, although no illusion can be harbored about Mario Soares' ideas and political practice.

The experience of the Cuban revolution shows that the struggle of the workers and the people's masses, the democrats' activity, and the institutions' functioning play a decisive role in surmounting dangers and in the defense of the democratic system.

Dear comrades: The achievements of the Cuban revolution and their defense are in the interest of the whole of progressive mankind. We wish you the greatest success in your third congress' proceedings and the implementation of its resolutions.

We wish to tell you that the Portuguese Communists will continue to work for the strengthening of the traditional relations of friendship, cooperation, and solidarity existing between our two parties, on the basis of the principles of Marxism-Leninism and proletarian internationalism, in the interest of our two peoples and countries and of the common cause of socialism and peace.

Long live the Third PCC Congress! Long live the solidarity and friendship between the PCP and the PCC! Long live the friendship between the peoples of Portugal and Cuba! Long live proletarian internationalism!

ANTIGUA-BARBUDA

FINANCE MINISTER ANNOUNCES PUBLIC SECTOR FREEZE

FL250232 Bridgetown CANA in English 2131 GMT 24 Feb 86

[Text] St Johns, Antigua, Feb 24, CANA -- Finance Minister John St. Luce announced a freeze on public sector jobs today in a move to cut spending.

Presenting a 248.7 million dollar (one EC dollar; 37 cents) budget for the 1986 financial year, St. Luce said no additional employees would be taken on this year because government wanted to halt the growth of salaries and wages. It is the intention of the government not to fill non-critical positions which may become vacant, thus reducing the workforce by attrition, he added.

St. Luce announced no new taxation but said government planned to tighten up on revenue collection. The budget, which is 47 million dollars above last year, projects recurrent expenditure of 160,599,229 dollars and a capital expenditure of 88,147,737 dollars. Recurrent revenue was estimated at 159,923,287 dollars, an increase of 30 million dollars over last year.

Health was allocated the largest share of the budget -- 19.9 million dollars. Education was next with 19.6 million, followed by 15.5 million for public works.

St. Luce said government would enforce both the Inland Revenue Department Act and the Property Tax Act, both passed last year, as part of its drive to increase collection of revenues. Emphasis will be put on cracking down on tax evaders and smugglers, he said. Last year, the inland revenue department collected 44.3 million dollars, an increase of about 8.8 million over 1984, he said.

St. Luce said the increase in revenue would go towards helping government to repay debts to international agencies and governments. Giving insights into the government's economic development strategy, St. Luce said efforts would focus on attracting industries here which have a high potential for extra-regional exports. He said the administration will review the operations of statutory bodies with the view of divestment in some cases if necessary.

One bright spot in the economy was a significant increase in the level of savings by nationals over the last five years, he said. Quoting figures from the East Caribbean Central Bank (ECCB), he said total deposits had risen from 155.5 million dollars in 1980 to 332.3 million up to last September.

HAITI

GOVERNMENT TO PROSECUTE HUMAN RIGHTS ABUSES

FL261830 Bridgetown CANA in English 1815 GMT 26 Feb 86

[By Bernd Debusmann]

[Excerpts] Port-au-Prince, Feb 26, CANA-REUTERS -- Haiti's new government, responding to intense public pressure, announced today it would prosecute officials involved in human rights abuses under the Duvalier dictatorship.

The announcement was read over local radio stations as scores of Haitians took justice into their own hands and looted the home of former Secret Police Chief Luc Desir, whose attempt to leave Haiti yesterday prompted violence at the airport. Troops used tear gas and fired into the air to disperse several hundred people who besieged the terminal to prevent Desir, a man with a reputation for exceptional brutality, leaving on an Air France flight.

A day earlier, former Police Chief Albert Pierre was allowed to leave Haiti for exile in Brazil, a decision that caused widespread anger and resentment here.

From now on, there will be no more departures (in such cases), a statement read by Justice Minister Gerard Gourgue said. He said the government would arrest and bring to justice Haitians suspected of crimes during 28 years of dictatorial rule by the Duvalier family. Under Francois Duvalier and his son Jean-Claude, Haiti won a reputation as one of the world's worst human rights violators. Both Pierre and Desir are said to have been personally involved in the torture and murder of prisoners.

Witnesses reported that shortly after dawn today, the first of a long procession of looters broke into the home of Desir, who was taken into protective custody after the airport violence, and began to systematically strip it.

Today's promise of action against Duvalier officials suspected of human rights abuses was an apparent reversal of policy by the military-civilian government council formed after Jean-Claude Duvalier fled the country on February 7. According to witnesses, both Desir and Pierre had military escorts to the airport. Officials at the airport said the government had been involved in chartering the Lear jet that took Pierre into exile. They (the council) apparently thought they could get rid of the problem of Duvalier aides who committed crimes by quietly shipping them out of the country, said a long-time foreign resident here. It didn't work.

The promise of action against Duvalier aides appeared to be aimed both at defusing public anger and avoiding the collapse of the government council in its present form.

NETHERLANDS ANTILLES

PRIME MINISTER ANNOUNCES AUSTERITY MEASURES

FL262020 Hilversum International Service in English 1030 GMT 26 Feb 86

[Text] Prime Minister Don Martina of the Dutch Antilles has announced a new package of austerity measures in order to cope with the region's serious financial problems. To bring about cutbacks in government spending the government wants to reduce the number of civil servants, and to increase revenue there'll be a rise in taxes on petrol, cigarettes, and luxury goods.

As was the case with the previous government, the Martina cabinet will not pay a cost of living increase or holiday benefits and subsidies and other benefits to trade and industries will be abolished. The cutbacks will be monitored by external experts of the Dutch (Huts Firm), the International Monetary Fund, and the World Bank.

Several weeks ago, the cabinet had already announced measures to cope with the budget deficit but, according to Premier Don Martina, additional drastic measures are needed.

HOYTE ADDRESS ON PLAYING FULL ROLE IN CARICOM

FL250228 Bridgetown CANA in English 1907 GMT 24 Feb 86

[Text] Georgetown, Guyana, Feb 24, CANA -- President Desmond Hoyte says his administration will embark on several initiatives this year aimed at playing a full role in the Caribbean Community (Caricom). Hoyte, in a radio address to mark Guyana's 17th anniversary as a Republic, referred to a recent trade mission that travelled throughout Caricom as one such initiative. He announced that effective March 15, Guyana would resume its subscription to the CARIBBEAN NEWS AGENCY (CANA) after a five-year break. We continue to be strong in our commitment to the integration movement and in our desire to play our part fully, he said.

Hoyte said the trade mission had produced extremely encouraging results for deepening cooperation with Caricom. I do believe that, not withstanding the serious problems facing all member states of Caricom, there is still a great deal that we can do among ourselves, he said.

Guyana foreign policy remains firmly based on the principles of non-alignment, non-interference in the domestic affairs of others and a continuing desire for friendly relations with our neighbors with countries in the wider hemisphere and indeed in the world, he said. We continue to abhor the abominable ideology and practice of apartheid in southern Africa -- a system that condemns millions of human beings to a status of permanent inferiority and misery on the basis of the colour of their skin. We can, therefore, in the circumstances, have no relations with the government of South Africa, Hoyte said.

UNESCO'S MBOW MEETS WITH GOVERNMENT LEADERS

FL220118 Bridgetown CANA in English 2136 GMT 21 Feb 86

[Text] Georgetown, Guyana, Feb 21, CANA -- UNESCO's Director-General Amadou Mahtar Mbow has arrived here on a four-day visit. He has already paid courtesy calls on President Desmond Hoyte, Prime Minister Hamilton Green, Foreign Minister Rashleigh Jackson, and Vice-President Viola Burnham who is responsible for education and social development.

Mbow is scheduled to open Guyana's National Centre for Education Resources Development. The main objective of the centre is to provide specialized supportive services aimed at improving the efficiency of Guyana's national education system. Mbow is also due to pay a courtesy call on Caribbean Community Secretary-General Roderick Rainford.

AGREEMENTS WITH EEC TO AID INFRASTRUCTURE

FL251622 Bridgetown CANA in English 1546 GMT 25 Feb 86

[Text] Georgetown, Guyana, Feb 25, CANA -- The Government of Guyana is to receive a 74 million dollars (one Guy dollars; 24 U.S. cents) grant from the European Economic Community (EEC), official sources here said. Three agreements were signed here at the weekend following discussions between a visiting EEC team and local officials. A Finance Ministry official said some 90 per cent of the grant will be spent on economic instructure, particularly in the area of transportation, and water management. Some of the money will also be used for the development of forestry. A Finance Ministry official said the European Investment Bank (EIB) will consider as a matter of priority involvement in local economic infrastructure projects, where those projects meet the bank's criteria.